NAZARA
TECHNOLOGIES LIMITED

ANNUAL REPORT 2017-2018

(FORMERLY KNOWN AS NAZARA TECHNOLOGIES PRIVATE LIMITED)

SUBSIDIARIES

Nextwave Multimedia | NODWIN GAMING

INVESTEE

hashcube | InstaSportz Beyond Sports | MOONGLABS

crimzoncode | HALAPLAY | Mastermind sports

Entertaining crores of cricket fans with over 7 CR installs in FY 17-18

1.3 CR monthly active users and growing...

(Source: Google Analytics)

Bringing smiles on crores of kids with over 6 CR installs in FY 17-18

80 Lakh monthly active users and growing...

(Source: Flurry Analytics)

19TH Annual Report 2017-18

GENERAL INFORMATION

BOARD OF DIRECTORS	STATUTORY AUDITORS	REGISTERED OFFICE
Mr. Vikash Mittersain Chairman & Managing Director **Mr. Nitish Mittersain** Joint Managing Director **Mr. Kuldeep Jain** Non-Executive Director **Mr. Sasha Mirchandani** Independent Director (w.e.f 17th January, 2018) **Mrs. Shobha Jagtiani** Independent Director (w.e.f 17th January, 2018) **Mr. Probir Roy** Independent Director (w.e.f 17th January, 2018)	**M/s. S. R. Batliboi & Associates LLP.** Chartered Accountants **KEY MANAGERIAL PERSONNEL** **Mr. Manish Agarwal** Chief Executive Officer **Mr. Rakesh Shah** Chief Financial Officer (CFO) **Mr. Vinav Agarwal** Company Secretary & Compliance Officer **BANKERS** Standard Chartered Bank State Bank of India	51-57, Maker Chambers 3, Nariman Point, Mumbai - 400021 Tel: +91-22-40330800 Fax: +91-22-22810606 **Email**: info@nazara.com **Website**: www.nazara.com **REGISTRAR & SHARE TRANSFER AGENTS:** Link Intime India Private Limited C-101, 247, Park LBS Marg Vikhroli, Mumbai-400083 Contact Details:+91 22 49186000

NAZARA TECHNOLOGIES LIMITED
CIN: U72900MH1999PLC122970
Regd. Office: 51-57, Maker Chambers 3, Nariman Point Mumbai Mumbai City-400021
Tel.:+91-22-40330800 **Fax:** +91-22-22810606 **Email:** info@nazara.com **Website:** www.nazara.com

NOTICE

NOTICE is hereby given that the **19th** Annual General Meeting of the Members of **NAZARA TECHNOLOGIES LIMITED (Formerly known as Nazara Technologies Private Limited)** will be held on Wednesday, 26th day of September, 2018 at 10:30 A.M. at Rangaswar Auditorium, Y B Chavan Centre, 7/8, General Jagannath Bhosale Marg, Opp Mantralaya, Nariman Point, Mumbai, Maharashtra- 400021 India, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2018 and the report of the Board of Directors and auditors' thereon.
2. To take a note of the interim dividend of Rs 151/- per share paid for the financial year ended March 31, 2018.
3. To appoint a Director in place of Mr. Nitish Mittersain (DIN: 02347434), Joint Managing Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board of Directors,
Nazara Technologies Limited

Vikash Mittersain
Chairman & Managing Director
DIN: 00156740

Place: Mumbai
Date: August 31, 2018

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights, provided that a member holding more than ten percent, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
2. Statement pursuant to Section 102 of the Companies Act, 2013, as amended, in respect to the business stated above is annexed herewith and forms part of the Notice.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
5. Members are requested to intimate the changes, if any, in their address registered with the Company.
6. Members holding shares in physical form are requested to notify immediately changes, if any, in their address or bank mandate to the Company/Registrar & Share Transfer Agent (RTA) quoting their Folio Number and Bank Account Details along with self-attested documentary proofs. Members holding shares in the Dematerialized (electronic) form may update such details with their respective Depository Participants.
7. Members holding shares in dematerialized form are requested to bring their Client ID and DP ID for easier identification of attendance at the meeting. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
8. The requirement to place the matter relating to appointment of Auditors for annual ratification by Members at every Annual General Meeting is done away in the terms of the Companies Amendment Act, 2017 read with notification S.O. 1833 (E) dated 7th May, 2018. Accordingly, no resolution is proposed for the annual ratification of the appointment of the Auditors, who were appointed in the Annual General Meeting held on 30th September, 2014.
9. Pursuant to Section 20(2) of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014, as amended, companies are permitted to send official documents to their shareholders electronically.

BOARDS' REPORT

To,

The Members,

NAZARA TECHNOLOGIES LIMITED
(Formerly known as Nazara Technologies Private Limited)

The Board of Directors are pleased to present the 19th Annual Report on the Business and Operations of your Company along with the Audited Standalone & Consolidated Financial Statements for the financial year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS:

The performance of the Company for the financial year ended 31st March, 2018 is summarized as below:

Amount (in Million)

PARTICULARS	**Standalone**		**Consolidated**	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Revenue from Operations	663.54	773.62	1705.47	1901.58
Other Income	349.80	64.54	98.15	120.89
Total Revenue	1013.34	838.16	1803.62	2022.47
Less: Total Expenditure	694.07	705.29	1311.51	1304.52
Profit before tax & exceptional item	319.27	132.87	492.11	717.95
Share of net (loss) of associate by using equity method	-	-	(0.63)	-
Exceptional Item	(357.18)	-	(357.18)	-
Net Profit/ (Loss) Before tax	(37.91)	132.87	134.30	717.95
Current Tax	79.52	41.41	143.65	129.90
Adjustment of tax relating to earlier periods	-	-	2.02	1.92
Deferred Income Tax	(13.36)	(0.96)	(23.50)	(24.21)
Profit/ (Loss) after tax (A)	(104.07)	92.42	12.13	610.34
Elimination of share of Non-Controlling Interest in profit/(loss) after tax	-	-	15.60	-
Profit pertaining to Equity Shareholder of Parent Company (A)	-	-	27.73	-
Balance brought forward from Previous year (B)	860.40	761.85	2171.69	1555.23
Amount available for appropriation (A+ B)	756.33	854.27	2199.42	2165.57
Utilized for issue of bonus shares	(79.70)	-	(79.70)	-
Utilized for dividend distribution (including dividend distribution tax)	(300.38)	-	(300.38)	-
Other Adjustments	(1.02)	6.13	(1.03)	6.12
Amount carried to Balance Sheet	375.23	860.40	1818.31	2171.69

Indian Accounting Standards:

Pursuant to the Ministry of Corporate Affairs notification dated 16th February, 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted Indian Accounting Standards (Ind-AS). Consequently, figures of previous year are re-grouped as per Ind-AS.

REVIEW OF OPERATIONS:

During the year under review, on unconsolidated basis the Company has registered a turnover of Rs. 663.54 millions as against Rs. 773.62 millions in the previous year, owing to the churn of the subscriber base of our current telecom partners to a new telecom operator, through introduction of low prices by the new telecom operator. The other income stood at Rs. 349.80 millions as against Rs. 64.54 millions in the previous year. The Total Expenditure stood to Rs. 694.07 millions as against Rs. 705.29 Millions in the previous year. Your Company has registered a total loss of Rs. 104.07 Millions as against profit of Rs. 92.42 Millions in the previous year. Loss in the current year is primarily on account of expense on group share based payments of Rs. 357.18 millions & expenses on ESOP cost of Rs. 157.59 millions recorded as per Ind AS

On consolidated basis, our revenue from operations stood at Rs. 1,901.58 millions for Financial Year 2017 as against Rs. 1,705.47 millions for Financial Year 2018, reflecting a decline of 10.31%, primarily owing to a reduction in revenues from subscription/ download of mobile games/other contents. Our revenue from subscription/ download of games and other contents decreased by 18.52% from Rs. 1,861.75 millions for Financial Year 2017 to Rs. 1,517.01 for Financial Year 2018.

On Consolidated basis, our profit for Financial Year 2018 stood at Rs. 12.13 millions as compared to Rs.610.34 millions for Financial Year 2017, reduction in profit is primarily on account of following reasons:

1. Expense on group share based payments of Rs.357.18 millions recorded as per Ind AS;
2. Expenses on employee stock option scheme has increased from Rs. 37.00 millions in Financial year 2017 to Rs. 157.59 million in Financial year 2018;
3. Provision for doubtful debts and unbilled revenues has increased from Rs. 39.36 millions in Financial Year 2017 to Rs. 70.89 millions in Financial Year 2018 due to delay in receipt of payment from Aircel bankruptcy & Reliance Communications and additional currency loss provisions due to fluctuations in emerging market currencies;
4. Increase in depreciation and amortisation expense from Rs. 11.58 millions in Financial Year 2017 to Rs. 41.97 millions in Financial Year 2018 is on account of acquisition;

AMOUNTS TRANSFERRED TO RESERVES:

The Company did not transfer any amount to the Reserves account of the Company during the year under review.

DIVIDEND:

The Board of Directors of your Company had declared an interim dividend of Rs. 151/- per Equity Share, being 1510% on each Equity shares of Rs.10/- (Rupees Ten Only) each on 8th May, 2017 to the Equity Shareholders of the Company for the Financial Year 2017-18. The Interim Dividend was paid to those shareholders of the Company whose name appeared on the Register of Members / Beneficial Ownership of the Company as on the record date i.e. 8th May, 2017 fixed by the Board.

This absorbed total cash outflow of Rs. 300.38 millions.

Further in order to conserve the resources for future growth prospects, the directors of your Company do not recommend any final dividend for the financial year under review.

CHANGE IN THE CAPITAL STRUCTURE OF THE COMPANY:

- **Authorized Share Capital:**

  During the year under review the Authorized Share Capital of the Company has been increased from Rs.3,45,00,000/- (Rupees Three Crores Forty Five Lakhs only) divided into 21,98,796 (Twenty One Lakhs Ninety Eight Thousand Seven Hundred & Ninety Six) Equity Shares of Rs.10/- (Rupees Ten Only) each & 12,51,204 (Twelve Lakhs Fifty One Thousand Two Hundred Four) Preference Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,37,48,796 (One Crore Thirty Seven Lakhs Forty Eight Thousand Seven Hundred & Ninety Six) Equity Shares of Rs.10/- (Rupees Ten only) & 12,51,204 (Twelve Lakhs Fifty One Thousand Two Hundred & Four) Preference Shares of Rs. 10/- (Rupees Ten only) each by addition of 1,15,50,000 (One Crore Fifteen Lakhs & Fifty Thousand) Equity Shares of Rs.10/- (Rupees Ten only) each.

  Further, pursuant to the resolution of our Shareholders dated 28th December, 2017 the Equity Shares of the Company are being sub-divided such that existing 1,37,48,796 Equity Share of the Company having face value of Rs. 10/- each in the Authorised Share Capital of the Company are being sub-divided into 3,43,71,990 (Three Crores Forty Three Lakhs Seventy One Thousand Nine Hundred and Ninety Only) Equity Shares having the face value of Rs. 4/- (Rupees Four Only) each.

  The Present Authorized Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 3,43,71,990 (Three Crores Forty Three Lakhs Seventy One Thousand Nine Hundred and Ninety Only) Equity Shares having the face value of Rs. 4/- (Rupees Four Only) each & 12,51,204 (Twelve Lakhs Fifty One Thousand Two Hundred & Four) Preference Shares of Rs. 10/- (Rupees Ten only) each

- **Paid-up Share Capital:**

  The present Paid-Up Share Capital of the Company is Rs. 109,887,876/- (Rupees Ten Crores Ninety Eight Lakhs Eighty Seven Thousand Eight Hundred & Seventy Six) divided into 27,471,969 (Two Crores Seventy Four Lakhs Seventy One Thousand Nine Hundred & Sixty Nine) Equity Shares of Rs. 4/- each.

  During the year under review the following changes had taken place in the paid up capital of the Company:

  1. **SUB–DIVISION AND ISSUE OF BONUS SHARES:**

     The Board of Directors on 22nd December, 2017 approved the sub-division of face value of Equity Shares from every 2 (two) Equity Shares of Rs. 10/- each into 5 (five) Equity Shares of Rs. 4/- each & also recommended issue of bonus shares in the proportion of 4 (Four) equity share for every 1 (One) existing equity share held by the Members, subsequently the said proposals were approved by the Shareholders at the Extra Ordinary General Meeting held on 28th December, 2017.

     Accordingly, two Equity Shares of face value of Rs.10/- each were sub-divided into five Equity Shares of face value of Rs.4/- each by way of corporate action to the shareholders as on the record date i.e. 3rd January, 2018 and the bonus shares in the proportion of 4 (Four) equity share for every 1 (One) existing equity share held by the Members of the Company were allotted to the members on 4th January, 2018, who held the equity shares as on the Record Date i.e. 3rd January, 2018 by capitalization of balance in the Free Reserves amounting to Rs. 79.70 millions/-.

2. **ISSUE OF SHARES ON PREFERENTIAL BASIS:**

During the year under review, your Company has made following allotments on preferential basis:

- Pursuant to the Shareholders approval obtained at their Extra-ordinary General Meeting held on 15th January, 2018, your Directors on 22nd December, 2017 has allotted 3,263 Equity Shares of Rs.10/- each at a price of Rs. 6833.75/- for consideration other than cash i.e. swap of Equity shares of Next Wave Multimedia Private Limited with the Equity Shares of the Company.
- Pursuant to the Shareholders approval obtained at their Extra-ordinary General Meeting held on 5th January, 2018, the Company on 8th January, 2018, has allotted 827,387 Equity Shares of Rs. 4/- at a price of Rs. 604.32/- for cash aggregating Rs. 50,00,06,512/- (Rupees Fifty Crores Six Thousand Five Hundred and Twelve Only).
- Pursuant to the Shareholders approval obtained at their Extra-ordinary General Meeting held on 5th January, 2018, the Company on 10th January, 2018, has allotted 753,854 Equity Shares of Rs. 4/- each at a price of Rs. 547/- for consideration other than cash i.e. swap of equity Shares of Nodwin Gaming Private Limited with the Equity Shares of the Company.
- Pursuant to the Shareholders approval obtained at their Extra-ordinary General Meeting held on 5th January, 2018, the Company on 10th January, 2018, has allotted 485,018 Equity Shares of Rs. 4/- each at a price of Rs. 547/- for cash aggregating to Rs. 26,53,04,846/- (Rupees Twenty Six Crores Fifty Three Lakhs Four Thousand Eight Hundred and Forty Six Only).

3. **ALLOTMENT OF SHARES PURSUANT TO EXERCISE OF OPTIONS UNDER ESOP, 2016:**

Subsequent to the Balance Sheet date 499,350 Equity Shares of Rs. 4/- each of the Company, were allotted to the employees of the Company pursuant to exercise of options under "Nazara Technologies ESOP, 2016"

CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY:

There was no change in the nature of business during the Financial Year under review.

PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 (the Act) read with Companies (Acceptance of Deposits) Rules, 2014.

UPDATE ON INITIAL PUBLIC OFFER THROUGH OFFER FOR SALE:

The Board of Directors and the shareholders of the Company by resolutions passed on January 17, 2018 and January 24, 2018 respectively, have approved, subject to necessary approvals, an initial public offering of the equity shares through offer for sale of such number of equity shares of Rs. 4/- each, which may be offered for sale by certain shareholders, Westbridge ventures II Investment Holdings and Mitter Infotech LLP (the "Selling Shareholders") not exceeding 5,543,052 equity shares, and consequent listing of such equity shares on the relevant stock exchange of India (the "Offer").

The draft red herring prospectus dated January 31, 2018 (the "DRHP"), in respect of the offer consisting of offer for sale of up to 5,543,052 Equity shares of Rs.4/- each of the Company was filed with SEBI on 2nd February, 2018. The Company has appointed ICICI Securities Limited and Edelweiss Financial Services Limited as the BRLMs to the Offer. Cyril Amarchand Mangaldas, was appointed as the Domestic Legal Counsel of the Company and AZB & Partners was appointed as Domestic Legal Counsel of the BRLMs for the Offer.

Further, the Company has received final observation letter from SEBI on the draft red herring prospectus on 20th April, 2018 and the proposed issue can open for subscription within a period of 12 months from the date of issuance of such letter.

The Company at their board meeting and Extra-Ordinary General Meeting held on 11th June, 2018 and 17th day of July, 2018 respectively, has approved the increase of the number of equity shares from up to 5,543,052 Equity shares of Rs. 4/- each to up to 6,529,127 equity shares of Rs. 4/- each offered for sale by the selling shareholders.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:

There have been no other material changes and commitments that occurred after the close of financial year till the date of report, which may affect the financial position of the Company, except as stated in this report.

HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

As on 31st March, 2018, the Company has Three Wholly Owned Subsidiaries, Two Subsidiaries & Six Step down Subsidiaries namely:

A. **Direct Subsidiaries:**

i. **Foreign Wholly Owned Subsidiaries:**

- Nazara Technologies FZ LLC.
- Nazara Pte Ltd.

ii. **Indian Wholly Owned Subsidiaries:**

- Nazara Pro Gaming Private Limited (w.e.f. 16th May, 2017)

iii. Indian Subsidiaries

- Nextwave Multimedia Private Limited (w.e.f. 12th December, 2017)
- Nodwin Gaming Private Limited (w.e.f. 10th January, 2018)

B. **Step Down Subsidiaries:**

i. **Foreign:**

- Nazara Technologies.
- NZMobile Nigeria Ltd.
- Nazara Zambia Ltd.
- NZ Mobile Kenya Ltd.
- Nazara Uganda Ltd.
- Nazara Bangladesh Limited.

As on 31st March, 2018, the Company has 1 Associate Company:

- Mastermind Sports Limited

Further, in accordance with proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts of Companies) Rules, 2014, a statement containing the salient features of the financial statement of the subsidiaries in the prescribed format AOC-1 is appended as Annexure II to the Board's Report. The statement also provides the details of performance, financial positions of each of the subsidiaries.

Further, the Company has invested Rs. 0.04 millions in cash for acquiring equity stake 70% of the share capital of NZWorld Kenya Limited on 11th May, 2018.

DIRECTORS:

During the year under review, the Board of Directors at its meeting held on 4th January, 2018, appointed Mr. Probir Roy (DIN: 00111961), Mr. Sasha Mirchandani (DIN: 01179921) & Ms. Shobha Jagtiani (DIN: 00027558) as Additional Directors (Non-Executive Independent) of the Company with effect from that date

Further, based on the recommendation of Nomination, Remuneration and Compensation Committee, the Board of Directors at its meeting held on 17th January, 2018, changed the designation of Mr. Nitish Mittersain as Joint Managing Director and also reappointed him for further period of 5 years w.e.f January 17, 2018 upto January 16, 2023 on fresh terms and conditions. In the same meeting, the Board had also re-appointed Mr. Vikash Mittersain as Chairman and Managing Director for a further period of 5 years w.e.f January 17, 2018 upto January 16, 2023 on such terms and conditions as recommended by Nomination, Remuneration and Compensation Committee. These appointments have been further approved by the Shareholders at the Extra-Ordinary General Meeting of the Company held on 24th January, 2018.

Further Mr. Sandeep Singhal, Director of the Company has resigned w.e.f. 27th January, 2018 from the directorship of the Company. Your Directors place on record its appreciation for valuable contribution and support extended by Mr. Sandeep Singhal during his tenure as the Director of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013, read with the Rules made thereunder and the Articles of Association of the Company, Mr. Nitish Mittersain, Joint Managing Director (DIN: 00032016) of the Company, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment. Accordingly, your Board recommends his re-appointment to the members.

KEY MANAGERIAL PERSONNEL (KMP):

Mr. Manish Agarwal & Mr. Rakesh Shah were re-designated as Chief Executive Officer & Chief Financial Officer of the Company respectively in terms of the provisions of Section 203 of the Companies Act, 2013 w.e.f. 28th December, 2017. Mr. Vinav Agarwal was appointed as Company Secretary of the Company w.e.f. 28th December, 2017 & as Compliance Officer of the Company w.e.f. 17th January, 2018.

Declaration by Independent Directors:

The Company has received declaration of independence from the Independent Directors under Section 149(7) of the Companies Act, 2013 (the Act), that he/she meets the criteria of Independence laid down in Section 149(6) of the Act, and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CONVERSION OF THE COMPANY:

The Company Nazara Technologies Private Limited originally incorporated and registered under the Companies Act, 1956 as a Private Limited Company bearing CIN U72900MH1999PTC122970 on 8th December, 1999 at Mumbai, Maharashtra.

Subsequently the unanimous consent of the Shareholder of the Company was granted to the company for the conversion of Private Limited Company into Public Limited Company whereby the name of the Company was changed from Nazara Technologies Private Limited to Nazara Technologies Limited vide special resolution passed by the Shareholders of the company at Extra Ordinary General Meeting held on 24th November, 2017 and the same was approved by Registrar of Companies, Maharashtra vide its Certificate dated 13th December, 2017.

EXTRACT OF ANNUAL RETURN:

The details forming part of the Extract of Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 are included in this Report as Annexure- I and form an integral part of this Report.

MEETINGS OF THE BOARD OF DIRECTORS:

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other business. During the year under review, the Board met 21 (Twenty One) times on the following dates:

8th May, 2017, 1st June, 2017, 20th July, 2017, 5th September, 2017, 12th October, 2017, 30th October, 2017, 23rd November, 2017, 30th November, 2017, 06th December, 2017, 11th December, 2017, 13th December, 2017, 22nd December, 2017, 28th December, 2017, 04th January, 2018, 08th December, 2018, 10th January, 2018, 10th January, 2018, 17th January, 2018, 27th January, 2018, 31st January, 2018 and 20th February, 2018.

The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013.

The details of attendance of each director at the foregoing Board Meetings are as follows:

Sr. No.	Name of the Director	No. of Meeting Entitled to attend.	No. of Meeting Attended.
1.	Mr. Vikash Mittersain	21	20
2.	Mr. Nitish Mittersain	21	21
3.	Mr. Kuldeep Jain	21	3
4.	Mr. Sandeep Singhal	18	1
5.	Mrs. Shobha Jagtiani	7	5
6.	Mr. Probir Roy	7	5
7.	Mr. Sasha Mirchandani	7	4

COMMITTEES OF THE BOARD:

During the year under review, the Board of the Company at their meeting held on 4th January, 2018 has constituted following 3 (Three) Committees in accordance with Companies Act, 2013 & Listing Obligations and Disclosure Requirements Regulations, 2015:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. IPO Committee

Further during the year under review, the Board at their meeting held on 4th January, 2018 has re-constituted following 2 (Two) Committees in accordance with the applicable laws:

1. Nomination, Remuneration & Compensation Committee
2. Corporate Social Responsibility Committee

The Composition of the Committee(s) is detailed below:

Sr. No.	Name of the Director	Audit Committee	Nomination Remuneration & Compensation Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	IPO Committee
1.	Mr. Sasha Mirchandani	Chairman	-	-	-	-
2.	Mr. Probir Roy	Member	Chairman	Member	Member	Member
3.	Mrs. Shobha Jagtiani	Member	Member	Chairperson	Member	Member
4.	Mr. Nitish Mittersain	Member	-	-	Member	Member
5.	Mr. Kuldeep Jain	-	Member	-	-	Member
6.	Mr. Vikash Mittersain	-	-	Member	Chairman	Chairman

Meeting of the Committees of the Board during the financial year under review:

- **Audit Committee:**

During the financial year 2017-18, the Audit Committee met once on 17th January, 2018 & was attended by the following members of the Committee:

- Mr. Sasha Mirchandani, Chairman

- Mr. Nitish Mittersain, Member
- Mr. Probir Roy, Member
- Ms. Shobha Jagtiani, Member
- **Nomination, Remuneration & Compensation Committee:**

During the financial year 2017-18, the Nomination, Remuneration & Compensation Committee met 4 (Four) times on the following dates:

30th November, 2017, 28th December, 2017, 4th January, 2018 & 17th January, 2018

The details of the attendance of the members at the foregoing Committee Meetings are as follows:

Sr. No.	Name of the Director	No. of Meeting Entitled to attend.	No. of Meeting Attended.
1.	Mr. Vikash Mittersain	3	3
2.	Mr. Nitish Mittersain	3	3
3.	Mr. Kuldeep Jain	4	3
4.	Mrs. Shobha Jagtiani	1	1
5.	Mr. Probir Roy	1	1

- **Stakeholders Relationship Committee:**

During the financial year 2017-18, the Stakeholders Relationship Committee met once on 24th January, 2018 & was attended by the following members of the Committee:

- Mrs. Shobha Jagtiani, Chairperson
- Mr. Probir Roy, Member
- Mr. Vikash Mittersain, Member
- **Corporate Social Responsibility Committee:**

During the financial year 2017-18, the Corporate Social Responsibility Committee met 2 (two) times on the following dates:

20th July, 2017 & 30th November, 2017.

The details of the attendance of the members at the foregoing Committee Meetings are as follows:

Sr. No.	Name of the Director	No. of Meeting Entitled to attend.	No. of Meeting Attended.
1.	Mr. Vikash Mittersain	2	2
2.	Mr. Nitish Mittersain	2	2

SECRETARIAL STANDARDS:

The Company has complied with the Applicable Secretarial Standards of Board & General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:-

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134(3)(c) of the Companies Act, 2013 state and confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis; and

(e) they have devised proper systems to ensure compliance with the provisions of all applicable laws sand that such systems were adequate and operating effectively.

STATUTORY AUDITORS:

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI FRN: 101049W/E300004) had been appointed as the Statutory Auditors of the Company at the Annual General Meeting (AGM) held on 30th September, 2014 for a period of five years i.e. till the conclusion of Annual General Meeting to be held for the financial year 31st March, 2019 and accordingly hold office up to conclusion of 20th AGM.

The requirement to place the matter relating to appointment of Auditors for annual ratification by Members at every Annual General Meeting is done away in the terms of the Companies Amendment Act, 2017 read with notification S.O. 1833 (E) dated 7th May, 2018. Accordingly, the notice does not contain proposal for ratification of their appointment.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORT:

The Auditors' Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

Notes to Accounts are self-explanatory and do not call for any further comments.

INSTANCES OF FRAUD, IF ANY, REPORTED BY THE STATUTORY AUDITORS:

During the year under review, the Statutory Auditors had not reported any fraud under Section 143(12) of Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The particulars of Loans, Guarantees and Investments made by the Company under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to Financial Statements.

ESTABLISHMENT OF VIGIL MECHANISM:

The Company has adopted a Whistle Blower / Vigil Mechanism Policy as per the provisions of Section 177 of the Companies Act, 2013 and Listing Regulations. The Policy provides a mechanism for reporting of unethical behavior and frauds to the management. The mechanism provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee, in the exceptional cases.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013:

All the transactions with related parties were in the ordinary course of the business and on arm's length basis and are reported in the Notes to the Financial Statements. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) of the Act in Form AOC-2 is not applicable.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has adopted a Policy on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has constituted an Internal Complaint Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no complaint received by committee on sexual harassment during the year under review.

REMUNERATION POLICY:

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Rules made thereunder, the Board has adopted a Policy on criteria for appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

The Remuneration Policy is attached to this report as Annexure III

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

The Company has devised and adopted a Risk Management Policy and implemented a mechanism for risk assessment and management. The policy provides for identification of possible risks associated with the business of the Company, assessment of the same at regular intervals and taking appropriate measures and controls to manage, mitigate and handle them. The key categories of risk jotted down in the policy are Strategic Risks, Financial Risks, Operational Risks and such other risk that may potentially affect the working of the Company.

DISCLOSURE ON INTERNAL FINANCIAL CONTROL:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company Policies, safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

The Audit Committee evaluates the Internal Financial Control Systems and strives to maintain the Standards of Internal Financial Control.

An extensive internal audit is carried out by M/s. R. Jaitlia and Co. post audit reviews are also carried out to ensure follow up on the observations made.

CORPORATE SOCIAL RESPONSIBILITY:

The brief outline of the Corporate Social Responsibility (CSR) Policy of your Company and the initiatives undertaken by your Company on CSR activities during the year under review are set out in Annexure IV of this report in the format prescribed under the Companies (CSR Policy) Rules, 2014.The CSR Policy is available on the website of your Company.

EMPLOYEE STOCK OPTION SCHEME:

NAZARA TECHNOLOGIES ESOP 2016 (ESOP 2016):

Our Company has adopted the ESOP 2016, pursuant to resolutions passed by our Board and Shareholders dated November 24, 2016 and December 26, 2016, respectively. As required under the provisions of Section 62(1)(b), and all other applicable provisions, of the Companies Act 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the details of this ESOP, 2016 as on 31st March, 2018 are being provided as follows:

Nature of Disclosure		Particulars
a.	Options granted	742,634*
b.	Options Vested	742,634
c.	Options exercised	Nil
d.	The total number of shares arising as a result of exercise of option	Nil
e.	Option lapsed	Nil
f.	The exercise price	Rs 234.32/- per Option
g.	Variation of terms of options	NA
h.	Money realized by exercise of options	NA
i.	Total number of options in force	742,634
j.	Employee wise details :	
1.	Key Managerial Personnel	Mr. Manish Agarwal - 256,075 options granted. Mr. Rakesh Shah- 128,037 options granted.
2.	Any other employee who receives a grant in any other options in any one year of option amounting to five per cent or more of options granted during that year	Mr. Savio Saldanha - 179,250 options granted. Mr. Vamsi Krishna Talasila - 64,025 options granted. Mr. Chirag Shah- 64,025 options granted.
3.	Identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Mr. Manish Agarwal - 256,075 options granted

*Originally there were 59,411 equity shares which are now adjusted for sub-division and bonus issue.

Further out of the total number of 742,634 stock options so far granted under ESOP, 2016, an aggregate of 499,350 stock options have been exercised by the Employees & accordingly 499,350 Equity Shares has been allotted to the option holders vide Circular Resolution dated 10th May, 2018 passed by the Nomination, Remuneration & Compensation Committee. The aggregate number of stock options outstanding as on the date of this report is 243,284 Stock options.

NAZARA TECHNOLOGIES ESOP, 2017 (ESOP 2017):

Pursuant to the approval accorded by the shareholders at the Annual General Meeting of the Company held on December 9, 2017, the Company had introduced the Employee Stock Option Plan 2017 ("ESOP 2017") to enable the employees of the Company and its subsidiaries to participate in the future growth and financial success of the Company. The Members of the Nomination, Remuneration & Compensation Committee at its meeting held on 17th January, 2018 had granted 5,62,733 stock options to the selective employees of our Subsidiary Company i.e. Nextwave Multimedia Private Limited. As required under the provisions of Section 62(1)(b), and all other applicable provisions, of the Companies Act 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the details of this ESOP, 2016 as on 31st March, 2018 are being provided as follows:

Nature of Disclosure		Particulars
a.	Options granted	5,62,733
b.	Options Vested	Nil
c.	Options exercised	Nil
d.	The total number of shares arising as a result of exercise of option	Nil
e.	Option lapsed	Nil
f.	The exercise price	Rs. 282.91 per Option
g.	Variation of terms of options	NA
h.	Money realized by exercise of options	NA
i.	Total number of options in force	5,62,733

j.	Employee wise details :	
1.	Key Managerial Personnel	N. A.
2.	Any other employee who receives a grant in any other options in any one year of option amounting to five per cent or more of options granted during that year	Mr. P.R. Rajendran – 364,787 Stock Options Mr. P.R. Jayshree- 197,946 Stock Options
3.	Identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Mr. P.R. Rajendran – 364,787 Stock Options

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:

The particulars regarding the provisions of Section 134(3)(m) of the Companies Act, 2013 with respect to conservation of energy, technology absorption, etc. are given as follows:

(A) **Conservation of Energy**

(i)	the steps taken or impact on conservation of energy	Your Company, being a leading gaming company requires minimal energy consumption and every attempt is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipment's	

(B) **Technology absorption, adaptation and innovation**

(i)	the efforts made towards technology absorption	The Company continues to take prudential measures in respect of technology absorption, adaptation and take innovative steps to use the scarce resources effectively.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import; (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	NIL

(C) **The particulars of Foreign Exchange earnings and outgo for the year under review are as follows:**

Particulars of foreign currency earnings and outgo during the year given in the Note 25 and 26 of the Notes to Accounts forming part of the Financial Statement are as follows:

Amount (in Rs.)

Particulars	**2017-18**	**2016-17**
Foreign Exchange Earnings:		
Export of services at FOB value	472,229,513/-	156,777,935/-
Foreign Exchange Expenditure:		
Expenditure	90,730,061/-	76,500,498/-

ACKNOWLEDGEMENT:

The Directors would also like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance extended during the year under report by our bankers, customers, Government agencies & various other stakeholders.

The Board of Directors wishes to express its appreciation for the valuable contribution made by the employees at all levels during the year under report.

For and on behalf of the Board of Directors
Nazara Technologies Limited
(Formerly known as Nazara Technologies Private Limited)

	Vikash Mittersain	**Nitish Mittersain**
Place : Mumbai	Chairman & Managing Director	Joint Managing Director
Date : August 31, 2018	DIN: 00156740	DIN: 02347434

ANNEXURE I

EXTRACT OF ANNUAL RETURN

FORM NO. MGT 9

As on financial year ended on 31st March, 2018

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U72900MH1999PLC122970
2.	Registration Date	08/12/1999
3.	Name of the Company	**NAZARA TECHNOLOGIES LIMITED (Formerly known as Nazara Technologies Private Limited)**
4.	Category/Sub-category of the Company	Non-Government Company Limited by Shares
5.	Address of the Registered office & contact details	51-57, Maker Chambers 3, Nariman Point, Mumbai -400021 +91 22-40330800
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**Link Intime India Private Limited** C-101, 247, Park LBS Marg Vikhroli, Mumbai-400083 Contact Detail:+91 22 49186000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Telecommunication	61	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name & Address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Nazara Technologies FZ LLC Bldg 9, G46, Dubai Media City, Dubai, UAE, P. O. Box: 283753	-	Subsidiary	100%	2(87)
2.	Nazara PTE Limited 20, Maxwell Road, #09-17, Maxwell House, Singapore (069113)	-	Subsidiary	100%	2(87)
3.	Nazara Pro Gaming Private Limited 51-57, Maker Chambers, 3, Nariman Point Mumbai Mumbai City-400021	U74999MH2017PTC294895	Subsidiary	100%	2(87)
4.	Nextwave Multimedia Private Limited First floor, Old No.98, New No.165 Avvai Shanmugam Salai,Royapettah Chennai Tamil Nadu 600014	U72300TN1995PTC030106	Subsidiary	52.83%	2(87)
5.	Nodwin Gaming Private Limited Flat No-1004 Ivory Court-1 Essel Tower M.G. Road, Iffco Chowk Gurgaon HR 122001	U93000HR2014PTC051557	Subsidiary	54.99%	2(87)
6.	Nazara Technologies,Mauritius 3rd Floor Harbour front Building, President John Kennedy Street, Port Louis, Mauritius	-	Stepdown Subsidiary Companies*	100%	2(87)
7.	Nazara Bangladesh Limited 45, Bijoynagar, Dhaka, Bangladesh.	-	Stepdown Subsidiary Companies*	99.90%	2(87)
8.	NZMobile Nigeria Ltd 5 Shagamu Avenue, Off Association Avenue, Ilupeju, Lagos, Nigeria.	-	Stepdown Subsidiary Companies#	99.90%	2(87)
9.	Nazara Zambia Ltd Plot No. 20, Mwatusanga Road, Woodlands, Lusaka, Zambia	-	Stepdown Subsidiary Companies#	99.98%	2(87)
10.	NZ Mobile Kenya Ltd Plot No. L.R. No. 1870/VI/260, 1st Floor, New Rehema House, Raphta Road, Nairobi, P.O. Box 67486-00200	-	Stepdown Subsidiary Companies#	99.90%	2(87)
11.	Nazara Uganda Ltd 30 Regency Plaza, Lugogo by-pass P.o.s.t Box 1239, Kampala, Uganda	-	Stepdown Subsidiary Companies#	99.00%	2(87)

*100% Subsidiary of Nazara PTE Ltd, Singapore

#100% Subsidiary of Nazara Technologies, Mauritius

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year*				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	30	-	30	0.00	1,475,585	-	1,475,585	5.47	5.47
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	558,356	-	558,356	28.07	5,955,125	-	5,955,125	22.08	(5.99)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	558,386	-	558,386	28.07	7,430,710	-	7,430,710	27.55	(0.52)
(2) Foreign									
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
SUB Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	**558,386**	**-**	**558,386**	**28.07**	**7,430,710**	**-**	**7,430,710**	**27.55**	**(0.52)**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	6,229,737	-	6,229,737	23.10	23.10
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	101,730	1,251,214	1,352,944	68.01	6,121,210	-	6,121,210	22.69	(45.32)
i) Others (Asset Management Company)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	**101,730**	**1,251,214**	**1,352,944**	**68.01**	**12,350,947**	**-**	**12,350,947**	**45.79**	**(22.22)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	15,704	-	15,704	0.79	682,966	-	682,966	2.53	1.74
ii) Overseas	-	44,065	44,065	2.22	-	1,035,828	1,035,828	3.84	1.62
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	16,361	1,786	18,147	0.91	319,029	35	319,064	1.18	0.27
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	5,153,104	-	5,153,104	19.10	19.10
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	**32,065**	**45,851**	**77,916**	**3.92**	**6,155,099**	**1,035,863**	**7,190,962**	**26.66**	**(22.74)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**1,33,795**	**1,297,065**	**1,430,860**	**71.93**	**18,506,046**	**1,035,863**	**19,541,909**	**72.45**	**(0.52)**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**692,181**	**1,297,065**	**1,989,246**	**100.00**	**25,936,756**	**1,035,863**	**26,972,619**	**100**	**-**

*On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of Rs. 10/- each into 2.5 fully paid up equity share having face value of Rs. 4/- each.

*On 28th December 2017, the shareholders also approved the issuance of bonus shares in the ratio of 4:1 (4 bonus shares for every 1 equity share held). However, the Company allotted bonus shares to existing shareholders on 4th January, 2018 by capitalization of reserves.

(ii) Shareholding of Promoters and Promoters' Group -

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year*			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Vikash Mittersain	20	0.00	-	250	0.00	-	0.00
2	Mr. Nitish Mittersain	10	0.00	-	1,475,335	5.47	-	5.47
3.	Mitter Infotech LLP	558,356	28.07	-	5,955,125	22.08	-	(5.99)

*On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of Rs. 10/- each into 2.5 fully paid up equity share having face value of Rs. 4/- each.

*On 28th December 2017, the shareholders also approved the issuance of bonus shares in the ratio of 4:1 (4 bonus shares for every 1 equity share held). However, the Company allotted bonus shares to existing shareholders on 4th January, 2018 by capitalization of reserves.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Nitish Mittersain						
1	At the beginning of the year		10	-	10	-
2	Date	Reason				
	23rd November, 2017	Transfer of Equity Shares	107,242	5.39	107,252	5.39
	22nd December, 2017	Transfer of Equity Shares	(1,100)	(0.06)	106,152	5.33
	22nd December, 2017	Transfer of Equity Shares	(1,464)	(0.07)	104,688	5.25
	28th December, 2017	Transfer of Equity Shares	20,519	1.30	125,207	6.28
	Pursuant to a resolution of our Shareholders dated December 28, 2017, every two equity shares of face value Rs. 10 each was split into five equity shares of Rs. 4 each, and accordingly 125,207 equity shares of Rs.10 each were split into 313,017 equity shares of Rs. 4 each.					
	4th January, 2018	Bonus Issue	1,252,068	5.03	1,565,085	6.28
	17th January, 2018	Transfer of Equity Shares	(1,750)	(0.00)	1,563,335	5.80
	17th January, 2018	Transfer of Equity Shares	(1,750)	(0.00)	1,561,585	5.79
	17th January, 2018	Transfer of Equity Shares	(1,750)	(0.00)	1,559,835	5.78
	17th January, 2018	Transfer of Equity Shares	(1,750)	(0.00)	1,558,085	5.78
	18th January, 2018	Transfer of Equity Shares	(1,750)	(0.00)	1,556,335	5.77
	18th January, 2018	Transfer of Equity Shares	(1,750)	(0.00)	1,554,585	5.76
	18th January, 2018	Transfer of Equity Shares	(1,750)	(0.00)	1,552,835	5.76
	18th January, 2018	Transfer of Equity Shares	(17,500)	(0.06)	1,535,335	5.69
	22nd January, 2108	Transfer of Equity Shares	(60,000)	(0.22)	1,475,335	5.47
3	At the end of the year		1,475,335	5.47	1,475,335	5.47
Mr. Vikash Mittersain						
1	At the beginning of the year		20	-	20	-
	Date	Reason				
	Pursuant to a resolution of our Shareholders dated December 28, 2017, every two equity shares of face value Rs. 10 each was split into five equity shares of Rs. 4 each, and accordingly 20 equity shares of Rs. 10 each were split into 50 equity shares of Rs. 4 each.					
	4th January, 2018	Bonus Issue	200	-	250	-
3	At the end of the year		250	-	250	-
Mitter Infotech LLP						
1	At the beginning of the year		558,356	28.07	558,356	28.07
	Date	Reason				
	24th November, 2017	Transfer of Equity Shares	(40,973)	(2.06)	517,383	26.00
	8th December, 2017	Transfer of Equity Shares	(5,122)	(0.26)	512,261	25.75
	11th December, 2017	Transfer of Equity Shares	(3,073)	(0.15)	509,188	26.10
	11th December, 2017	Transfer of Equity Shares	(6,146)	(0.31)	503,042	25.29
	11th December, 2017	Transfer of Equity Shares	(10,975)	(0.55)	492,067	24.74
	12th December, 2017	Transfer of Equity Shares	(585)	(0.03)	491,482	24.71
	12th December, 2017	Transfer of Equity Shares	(12,292)	(0.62)	479,190	24.09
	26th December, 2017	Transfer of Equity Shares	(2,780)	(0.14)	476,410	23.91
	Pursuant to a resolution of our Shareholders dated December 28, 2017, every two equity shares of face value Rs.10 each was split into five equity shares of Rs. 4 each, and accordingly 476,410 equity shares of Rs.10 each were split into 1,191,025 equity shares of Rs. 4 each.					
	4th January, 2018	Bonus Issue	4,764,100	19.13	5,955,125	22.08
3	At the end of the year		5,955,125	22.08	5,955,125	22.08

(iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 - Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Westbridge Venture II Investments Holding**					
	At the beginning of the year		1,352,944	68.01	1,352,944	68.01
	Date	Reason				
	23rd November, 2017	Transfer of Equity Shares	(107,242)	(5.40)	1,245,702	62.62
	23rd November, 2017	Transfer of Equity Shares	(28,670)	(1.44)	1,217,032	61.18
	24th November, 2017	Transfer of Equity Shares	(96,882)	(4.87)	1,120,150	56.31
	24th November, 2017	Transfer of Equity Shares	(88,810)	(4.46)	1,031,340	51.85
	24th November, 2017	Transfer of Equity Shares	(43,556)	(2.19)	987,784	49.66
	24th November, 2017	Transfer of Equity Shares	(112,789)	(5.67)	874,995	43.99
	24th November, 2017	Transfer of Equity Shares	(95,376)	(4.79)	779,619	39.19
	8th December, 2017	Transfer of Equity Shares	(263,545)	(13.25)	516,074	25.94
	8th December, 2017	Transfer of Equity Shares	(2,780)	(0.14)	513,294	25.80
	28th December, 2017	Transfer of Equity Shares	(20,519)	(1.03)	492,775	24.73
	28th December, 2017	Transfer of Equity Shares	(3,078)	(0.15)	489,697	24.58
Pursuant to a resolution of our Shareholders dated December 28, 2017, every two equity shares of face value Rs.10 each was split into five equity shares of Rs. 4 each, and accordingly 489,697 equity shares of Rs.10 each were split into 1,224,242 equity shares of Rs. 4 each.						
	4th January, 2018	Bonus Issue	4,896,968	19.66	6,121,210	22.28
	At the end of the year		6,121,210	22.28	1,352,944	22.28
2.	**Rakesh Jhunjhunwala**					
	At the beginning of the year		-	-	-	-
	Date	Reason				
	8th December, 2017	Transfer of Equity Shares	263,545	13.24	263,545	13.24
Pursuant to a resolution of our Shareholders dated December 28, 2017, every two equity shares of face value Rs.10 each was split into five equity shares of Rs. 4 each, and accordingly 263545 equity shares of Rs.10 each were split into 658,862 equity shares of Rs. 4 each.						
	4th January, 2018	Bonus Issue	2,635,448	10.58	3,294,310	13.23
	At the end of the year		3,294,310	13.23	3,294,310	13.23
3.	**IIFL Special Opportunity Fund**					
	At the beginning of the year		-	-	-	-
	Date	Reason				
	24th November, 2017	Transfer of Equity Shares	137,855	6.93	137,885	6.93
Pursuant to a resolution of our Shareholders dated December 28, 2017, every two equity shares of face value Rs.10 each was split into five equity shares of Rs. 4 each, and accordingly 137855 equity shares of Rs.10 each were split into 344,637 equity shares of Rs. 4 each.						
	4th January, 2018	Bonus Issue	1,378,548	5.24	1,723,185	6.92
	28th March, 2018	Purchase	25,000	0.09	1,748,185	6.84
	At the end of the year		1,748,185	6.84	1,748,185	6.84
4.	**IIFL Special Opportunity Fund 5**					
	At the beginning of the year		-	-	-	-
	Date	Reason				
	24th November, 2017	Transfer of Shares	95,376	4.79	95,376	4.79
	Pursuant to a resolution of our Shareholders dated December 28, 2017, every two equity shares of face value Rs.10/- each was split into five equity shares of Rs. 4/- each, and accordingly 95,376 equity shares of Rs.10/- each were split into 238,440 equity shares of Rs. 4/- each.					
	4th January, 2018	Bonus Issue	953,756	3.83	1,192,195	4.79
	28th March, 2018	Purchase	19,500	0.07	1,211,695	4.49
	At the end of the year		1,211,695	4.49	1,211,695	4.49
5.	**IIFL Special Opportunity Fund-Series 2**					
	At the beginning of the year		-	-	-	-
	Date	Reason				
	24th November, 2017	Transfer of Shares	88,810	4.46	88,810	4.46
	Pursuant to a resolution of our Shareholders dated December 28, 2017, every two equity shares of face value Rs.10 each was split into five equity shares of Rs. 4 each, and accordingly 88,810 equity shares of Rs.10 each were split into 222,025 equity shares of Rs. 4/- each.					
	4th January, 2018	Bonus Issue	888,100	3.57	1,110,125	4.46
	28th March, 2018	Purchase	16,500	0.06	1,126,625	4.18
	At the end of the year		1,126,625	4.18	1,126,625	4.18

6.	**IIFL Special Opportunity Fund-Series 4**					
	At the beginning of the year		-	-	-	-
	Date	Reason				
	24th November, 2018	Transfer of Shares	112,789	5.66	112,789	5.66
	Pursuant to a resolution of our Shareholders dated December 28, 2017, every two equity shares of face value Rs.10 each was split into five equity shares of Rs. 4 each, and accordingly 112,789 equity shares of Rs.10 each were split into 281,972 equity shares of Rs. 4 each.					
	4th January, 2018	Bonus Issue	1,127,888	4.53	1,409,860	5.66
	28th March, 2018	Purchase	19,500	0.07	1,429,360	5.30
	At the end of the year		1,429,360	5.30	1,429,360	5.30
7.	**Emerging Investments Limited**					
	At the beginning of the year		44,065	2.22	44,065	2.22
	Date	Reason				
	Pursuant to a resolution of our Shareholders dated December 28, 2017, every two equity shares of face value Rs.10 each was split into five equity shares of Rs. 4 each, and accordingly 44065 equity shares of Rs.10 each were split into 110162 equity shares of Rs. 4 each.					
	4th January, 2018	Bonus Issue	440,650	1.77	550,810	2.21
	At the end of the year		550,810	2.21	550,810	2.21
8.	**Turtle Entertainment GmbH**					
	At the beginning of the year		-	-	-	-
	Date	Reason				
	10th January, 2018	Preferential Allotment	485,018	1.85	485,018	1.85
	At the end of the year		485,018	1.85	485,018	1.85
9.	**IIFL Special Opportunity Fund-Series 3**					
	At the beginning of the year		-	-	-	-
	Date	Reason				
	24th November, 2017	Transfer of Equity Shares	43,556	2.19	43,556	2.19
	Pursuant to a resolution of our Shareholders dated December 28, 2017, every two equity shares of face value Rs.10 each was split into five equity shares of Rs. 4 each, and accordingly 43556 equity shares of Rs.10 each were split into 108889 equity shares of Rs. 4/- each.					
	4th January, 2018	Bonus Issue	435,556	1.75	544,445	2.19
	28th March, 2018	Purchase	19,500	0.07	563,945	2.09
	At the end of the year		563,945	2.09	563,945	2.09
10.	**Manish Agarwal**					
	At the beginning of the year		-	-	-	-
	Date	Reason				
	23rd November, 2017	Transfer of Equity Shares	28,670	1.44	28,670	1.44
	28th December, 2017	Transfer of Equity Shares	3,078	0.15	31,748	1.59
	Pursuant to a resolution of our Shareholders dated December 28, 2017, every two equity shares of face value Rs.10 each was split into five equity shares of Rs. 4 each, and accordingly 31748 equity shares of Rs.10 each were split into 79,370 equity shares of Rs. 4/- each.					
	4th January, 2018	Bonus Issue	317,480	1.27	396,850	1.59
	At the end of the year		396,850	1.59	396,850	1.59

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
	Name of the Director and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Sandeep Singhal	-	-	-	-
2	Mr. Vikash Mittersain	20	0.00	250	0.00
3	Mr. Nitish Mittersain	10	0.00	1,475,335	5.47
4	Mr. Kuldeep Jain	-	-	-	-
5	Mr. Sasha Mirchandani	-	-	-	-
6	Ms. Shobha Jagtiani	-	-	-	-
7	Mr. Probir Roy	-	-	-	-
8	Mr. Manish Agarwal	-	-	396,885	1.47
9	Mr. Rakesh Shah	-	-	-	-
10	Mr. Vinav Agarwal	-	-	-	-

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Addition	30,00,00,000	-	-	30,00,00,000
* Reduction	(30,00,00,000)	-	-	(30,00,00,000)
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Vikash Mittersain	Nitish Mittersain	
		Chairman & Managing Director	Joint Managing Director	
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,136,894	20,964,500	25,101,394
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1,790,323	1,790,323
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	**Stock Option**	-	-	-
3	**Sweat Equity**	-	-	-
4	**Commission** **- as % of profit** **- others, specify…**	-	-	-
5	**Others, please specify: Employer PF Contribution**	184,800	1,457,400	1,642,200
6	**Others, PA**	195,000	331,500	526,500
7	**Others (Exceptional employee benefit expense)**	-	140,221,716	140,221,716
8	**Total (A)**	**4,516,694**	**164,765,439**	169,282,133
	Ceiling as per the Act	N.A.	N.A.	

B. Remuneration to other directors:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of the Director					Total Amount
-	**Independent Directors**						
	Fee for attending board committee meetings	-	-				-
	Commission	-	-				-
	Others, please specify	-	-				-
	Total (1)	-	-				-
-	**Other Non-Executive Directors**	Mr. Sandeep Singhal	Mr. Kuldeep Jain	Mr. Probir Roy	Ms. Shobha Jagtiani	Mr. Sasha Mirchandani	-
	Fee for attending board committee meetings	-	-	210,000	210,000	140,000	560,000
	Commission	-	-				-
	Others, please specify	-	-				-
	Total (2)	-	-				-
	Total (B)=(1+2)	-	-				-
	Total Managerial Remuneration	-	-				-
	Overall Ceiling as per the Act	-	-				-

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Mr. Manish Agarwal	CS Mr. Vinav Agarwal	CFO Mr. Rakesh Shah	Total
1	**Gross salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,354,200	227,566	5,993,495	25,575,261
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	**Stock Option**	-	-	-	-
3	**Sweat Equity**	-	-	-	-
4	**Commission**	-	-	-	-
	- as % of profit				
	others, specify (Exceptional Employee Benefit expense)	216,957,895	-	-	-
5	**Others, Contribution to Provident Fund**	1,310,400	10,765	357,000	1,678,165
	Total	237,622,495	238,331	6,350,495	27,253,426

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	-	-			
Punishment	-	-			
Compounding	Section 75 of the Companies Act, 1956	Vikash Mittersain, Managing Director of our Company filed an application dated December 29, 2017, as an officer in default, under Section 441 of the Companies Act, 2013 for compounding the offence committed by contravening the provisions of Section 75(1) of the Companies Act, 1956, read with other relevant provisions of the Companies Act, 2013 in relation to the delay in filing of return of allotment for allotment of securities made on September 5, 2000 and May 11, 2007 before the RoC and same will be heard by National Company Law Tribunal, Mumbai.	**Matter yet to be heard by the NCLT**	**RD/NCLT**	**NA**
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

For and on behalf of the Board of Directors
Nazara Technologies Limited
(Formerly known as Nazara Technologies Private Limited)

Place: Mumbai
Date: August 31, 2018

VIKASH MITTERSAIN
Chairman & Managing Director
DIN: 00156740

NITISH MITTERSAIN
Joint Managing Director
DIN: 02347434

FORM AOC-1 (ANNEXURE-II)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(**Amounts in INR.)**

Part "A": Subsidiaries

Name of the Subsidiary Company	Nazara Technologies FZ LLC	Nazara Bangladesh Ltd	Nazara Pte Ltd	Nazara Technologies	NZMobile Nigeria Ltd	Nazara Zambia Ltd	NZ mobile Kenya Ltd	Nazara Uganda Ltd
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018	31.03.2018
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AED Rate: 17.68	BDT Rate : 0.78	USD Rate : 64.95	USD Rate : 64.95	NGN Rate : 0.18	ZMW Rate : 6.83	KES Rate : 0.64	UGX Rate : 0.018
Share capital	50 Shares of AED 1000 each	1,000 Ordinary Shares of Taka 100 each.	800 Shares of USD 1	380 Shares of USD 10	1000000 Shares of NGN 1	15000 Shares of KR 1	1000 Share of KES 100	100 shares of UGX 100,000
Reserves & surplus	563,369,121	(584,241)	190,565,795	692,661,339	(40,445,398)	(1,055,000)	105,852,439	(2,961,305)
Total assets	638,258,706	44,423,955	218,584,929	857,332,760	139,333,744	4,187,500	341,622,943	11,024,503
Total Liabilities	638,258,706	44,423,955	218,584,929	857,332,760	139,333,744	4,187,500	341,622,943	11,024,503
Investments	81,367,076	-	43,102,935	874,342	-	-	-	-
Turnover	325,387,381	13,811,562	217,051,657	306,111,744	130,837,399	8,670,718	152,366,125	9,275,684
Profit before taxation	146,827,775	(3,490,232)	278,272,509	239,767,508	(6,371,641)	839,250	49,143,642	450,839
Provision for taxation	-	-	19,521,461	35,965,134	(5,665,965)	(562,796)	9,450,157	135,252
Profit after taxation	146,827,775	(3,490,232)	258,751,025	203,802,374	(705,675)	1,402,046	39,693,484	315,587
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	99.90%	99.98%	99.90%	99%
Date on which it became the Subsidiary of the Company	07.08.2011	24.07.2014	11.03.2013	29.03.2013	15.05.2013	27.05.2013	04.06.2013	31.10.2013

Name of the Subsidiary Company	Nazara Pro Gaming Private Limited	Nextwave Multimedia Private Limited	Nodwin Gaming Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	31.03.2018	31.03.2018	31.03.2018
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
Share capital	10000 shares of Rs. 10 each	33335 shares of Rs. 10 each	13414 shares of Rs. 10 each
Reserves & surplus	-	124,309,027	376,773,429
Total assets	105000	154,889,565	423,955,274
Total Liabilities	105000	154,889,565	423,955,274
Investments	-	30,440,976	5,749,678
Turnover	-	118,547,945	37,277,387
Profit before taxation	-	(11,640,542)	(5,027,452)
Provision for taxation	-	7,267,940	(1,127,722)
Profit after taxation	-	(18,908,481)	(3,976,974)
Proposed Dividend	-	-	-
% of shareholding	99.99	53.38	54.99
Date on which it became the Subsidiary of the Company	16.05.2017	22.12.2017	10.01.2018

For and on behalf of the Board of Directors
Nazara Technologies Limited
(Formerly known as Nazara Technologies Private Limited)

	Vikash Mittersain	**Nitish Mittersain**
Place : Mumbai	Chairman & Managing Director	Joint Managing Director
Date : August 31, 2018	DIN: 00156740	DIN: 02347434

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: **N.A.**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures		Mastermind Sports Limited
1.	Latest audited Balance Sheet Date	March 31, 2018
2.	Shares of Associate/Joint Ventures held by the company on the year end	
(i)	No. of Shares	77,957 ordinary shares
(ii)	Amount of Investment in Associates/Joint Venture	Rs. 2,273,2500
(iii)	Extend of Holding%	24.69%
3.	Description of how there is significant influence	Associate Company
4.	Reason why the associate/joint venture is not consolidated	N. A.
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 1,400,873
6.	Profit/Loss for the year	(5,062,243)
i.	Considered in Consolidation	Yes

For and on behalf of the Board of Directors
Nazara Technologies Limited
(Formerly known as Nazara Technologies Private Limited)

Vikash Mittersain
Chairman & Managing Director
DIN: 00156740

Nitish Mittersain
Joint Managing Director
DIN: 02347434

Place : **Mumbai**
Date : August 31, 2018

ANNEXURE III

NOMINATION AND REMUNERATION POLICY

1. Introduction:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the "**Act**") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. The Board has constituted a nomination and remuneration committee (the "**NR Committee**") which is in compliance with the requirements of the Companies Act, 2013

2. Objectives of the NR Committee:

The NR Committee shall:

i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.

ii. Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.

iii. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

iv. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

v. Devise a policy on diversity of Board of Directors; and

vi. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

vii. To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

viii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks

3. Effective Date:

The following policy has been formulated by the NR Committee and adopted by the Board of Directors at its meeting held on 17th January, 2018.

This policy shall be operational with immediate effect.

4. Definitions:

- **"Board"**:- Board means Board of Directors of the Company.
- "**Director**":- Director means Director of the Company appointed in accordance with the Companies Act, 2013.
- "NR **Committee**":- NR Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **"Company"**:- Company means Nazara Technologies Limited.
- **"Independent Director"**:- As provided under the Companies Act, 2013, an Independent Director in relation to a company, means a Director other than a Managing Director or a Whole-Time Director or a Nominee Director,—

a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

b) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

c) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

d) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

- a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non- profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

e) who possesses such other qualifications as may be prescribed.

- **"Key Managerial Personnel":-** Key Managerial Personnel ('KMP') means-

(i) the Chief Executive Officer or the Managing Director or the Manager;

(ii) the Company Secretary;

(iii) the Whole-Time Director;

(iv) the Chief Financial Officer; and

(v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

- **"Senior Management"**:- The expression ''senior management'' means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

  Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. Applicability:

The Policy is applicable to -

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

6. Constitution of the NR Committee:

The Board has the power to constitute/ re-constitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the NR Committee comprises of following Directors:

Name of the Director	Category	Designation
Mr. Probir Roy	Independent Director	Chairman
Mrs. Shobha Jagnani	Independent Director	Member
Mr. Kuldeep Jain	Non-Executive Director	Member

7. General Appointment Criteria:

i. The NR Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.

ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.

iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, and any other enactment for the time being in force which is applicable to the Company.

8. Additional Criteria for Appointment of Independent Directors:

The NR Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of Section 149 of the Companies Act, 2013 (as amended from time to time).

9. Term / Tenure:

i. Chairman/Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director for a term not exceeding five years at a time or as may be prescribed under the Act. No re-appointment shall be made earlier than one year before the expiry of term.

ii. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the NR Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

10. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the NR Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

11. Criteria for Evaluation of Independent Director and the Board:

Following are the Criteria for evaluation of performance of Independent Directors and the Board.

The Directors including Independent Directors shall be evaluated on the basis of the following criteria i.e. whether they:

(a) act objectively and constructively while exercising their duties;

(b) exercise their responsibilities in a bona fide manner in the interest of the company;

(c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;

(d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

(e) refrain from any action that would lead to loss of his independence

(f) inform the Board immediately when they lose their independence,

(g) assist the company in implementing the best corporate governance practices,

(h) strive to attend all meetings of the Board of Directors and the Committees;

(i) participate constructively and actively in the committees of the Board in which they are members;

(j) strive to attend the Board, Committee and general meetings of the company;

(k) keep themselves well informed about the company and the external environment in which it operates;

(l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;

(n) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

12. Board diversity:

The Board of Directors may have the combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. or as may be considered appropriate.

13. Remuneration:

The NR Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director and KMP to the Board for their approval.

The level and composition of remuneration so determined by the NR Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be made clear and should meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

i **Managing Director/Whole-time Director**

a) The compensation paid to the executive directors (including managing director) will be within the scale approved by the shareholders. The elements of the total compensation, approved by the NR Committee will be within the overall limits specified under the Companies Act, 2013.

b) Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Managing Director/Whole-time Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

c) The remuneration payable by the Company to the executive directors shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

ii **Non-executive Directors**

a. The Non- Executive Director may receive sitting fees for attending meetings of Board or NR Committee thereof. The remuneration/ commission/ compensation to the Non-executive Directors will be determined by the NR Committee and recommended to the Board for its approval.

b. The remuneration payable by the Company to Non-executive Directors shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

iii **KMPs / Senior Management Personnel etc.**

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

iv **Directors' and Officers' Insurance**

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel unless otherwise specifically provided under the Act.

14. Chairperson

(i) Chairperson of the NR Committee shall be an Independent Director.

(ii) Chairperson of the Company may be appointed as a member of the NR Committee but shall not be a Chairman of the NR Committee.

(iii) In the absence of the Chairperson, the members of the NR Committee present at the meeting shall choose one amongst them to act as Chairperson.

(iv) Chairman of the NR Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

15. Frequency of Meetings

The meeting of the NR Committee shall be held at such regular intervals as may be required.

16. NR Committee Members Interest

A member of the NR Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

The NR Committee may invite such executives, as it considers appropriate, to be present at the meetings of the NR Committee.

17. Secretary

The Company Secretary of the Company shall act as Secretary of the NR Committee.

18. Voting

Matters arising for determination at NR Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the NR Committee.

19. Minutes of the NR Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the NR Committee meetings will be tabled at the subsequent Board and NR Committee meeting.

20. Adoption, Changes and Disclosure of Information

i This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NR Committee.

ii This policy may be reviewed at such intervals as the Board or NR Committee may deem necessary.

iii Such disclosures of this Policy as may be required under the Act and SEBI Listing Regulations may be made.

21. Dissemination of Policy

A copy of this Policy shall be handed over to all Directors within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the annual report of the Company

Annexure IV

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

Sr. No.	Particulars	Details
1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	The CSR policy of the Company lays down the guidelines to make CSR a key business process for sustainable development of the society. The CSR policy also encompasses the scope of CSR activities of the Company.
2	The Composition of the CSR Committee.	1. Vikash Mittersain 2. Nitish Mittersain 3. Kuldeep Jain 4. Shobha Jagtiani 5. Probir Roy
3	Average net profit of the company for last three financial years	Rs 314,167,807/-
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs 6,283,356/-
5	Details of CSR spent during the financial year. a) Total amount to be spent for the financial year b) Amount unspent , if any	 Rs. 6,283,356/- Rs. 4,973,356/-
	c) Manner in which the amount spent during the financial year is detailed below:	

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local Area or other 2. Specify the State and district where projects or programs was taken	Amount Outlay (Budget) project or program wise	Amount spent on the projects or programs Sub-heads (1)Direct expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
a.	Concern India Foundation	Financial and non-financial support to grassroot NGOs	Mumbai (Maharashtra)	Rs. 10,000	Direct expenditure	Rs. 10,000/-	Direct
b.	Make-a-wish Foundation of India	Promotion of children diagnosed with life-threatening medical condition	Mumbai (Maharashtra)	Rs. 1,300,000/-	Direct expenditure	Rs. 1,300,000/-	Direct
	TOTAL					**Rs. 1,310,000/-**	

Sr. No.	Particulars	Details
6	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount:	During the year under review, the company has identified 2 CSR project i.e. Concern India Foundation & Make-a-wish Foundation of India for promotion of Education for under privileged children & Mentally retarded children and spent Rs. 1,310,000/- on the said CSR Project adequately. The Company could not spend the balance amount as the Company could not identify any further projects for CSR activity.

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

	Vikash Mittersain	**Nitish Mittersain**
Place: Mumbai	Chairman & Managing Director	Joint Managing Director
Date: August 31, 2018	DIN: 00156740	DIN: 02347434

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Nazara Technologies Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Nazara Technologies Limited (formerly known as Nazara Technologies Private Limited) ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2018, the standalone Statement of Profit and Loss, including the statement of Other Comprehensive Income, the standalone Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The standalone Balance Sheet, standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income, the standalone Cash Flow Statement and standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial position;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Govind Ahuja
Partner
Membership Number: 048966

Place of Signature: Mumbai
Date: July 11, 2018

Annexure 1 to the Independent Auditor's Report

Re: Nazara Technologies Limited ("the Company")

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investment made in subsidiary have been complied with by the Company. There are no other guarantees, securities or loans given in respect of which provisions of section 185 and 186 of the Act are applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the services of the Company.

(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess, goods and services tax and other statutory dues applicable to it. The provisions relating to sales tax, duty of custom, duty of excise and value added tax are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, cess, goods and services tax and any other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to sales tax, duty of excise, duty of custom and value added tax are not applicable to the Company.

(c) According to the information and explanation given to us, there are no dues of income-tax, service tax and cess on account of any dispute. The provisions relating to sales-tax, duty of custom, duty of excise and value added tax are not applicable to the Company.

(vii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution. The Company did not have any outstanding loans or borrowing dues in respect of a bank or government or dues to debenture holders.

(viii) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loan for the purposes for which it was raised. The Company has not raised any money way of initial public offer / further public offer / debt instruments.

(ix) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(x) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xi) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiii) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Act in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised. The company has not made any preferential allotment or private placement fully or partly convertible debentures during the year under review.

(xiv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xv) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Govind Ahuja**
Partner
Membership Number: 48966

Place of Signature: Mumbai
Date: July 11, 2018

Annexure 2 to the independent auditor's report of even date on the standalone Ind AS financial statements

of Nazara Technologies Private Limited ('the Company')

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

To the Members of Nazara Technologies Private Limited

We have audited the internal financial controls over financial reporting of Nazara Technologies Limited (formerly known as Nazara Technologies Private Limited) ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Govind Ahuja**
Partner
Membership Number: 48966

Place of Signature: Mumbai
Date: July 11, 2018

Standalone balance sheet as at 31st March, 2018

(Rupees in million)

	Notes	As at March 31 2018	As at March 31 2017	As at April 1, 2016
Assets				
Non-current assets				
Property, plant and equipment	3	5.02	8.77	14.87
Intangible assets	4	7.44	8.07	4.54
Intangible assets under development	4	-	1.40	3.60
Investments in subsidiaries	5	1,134.13	0.69	0.70
Financial assets				
Investments	6	9.01	-	-
Loans and deposits	7	13.67	14.12	12.06
Other financial assets	8	1.79	1.68	1.57
Deferred tax assets (net)	32	25.66	12.25	12.25
Other non-current assets	9	19.03	19.54	7.25
		1,215.75	**66.52**	**56.84**
Current assets				
Financial assets				
Investments	6	837.12	725.06	560.65
Loans and deposits	7	1.82	1.27	1.74
Trade receivables	10	223.51	116.16	183.94
Cash and cash equivalent	11	25.46	78.08	102.44
Other bank balances	11	-	1.50	-
Other financial assets	12	126.36	55.30	88.75
Other current assets	13	25.08	24.44	24.49
		1,239.35	**1,001.81**	**962.01**
TOTAL ASSETS		**2,455.10**	**1,068.33**	**1,018.85**
EQUITY & LIABILITIES				
Equity				
Equity share capital	14	107.89	19.89	19.89
Other equity	15	2,114.97	898.70	763.15
		2,222.86	**918.59**	**783.04**
Liabilities				
Non-current liabilities				
Long term provisions	16	14.03	10.09	8.79
		14.03	**10.09**	**8.79**
Current liabilities				
Financial liabilities				
Trade payables	17	153.14	97.44	166.37
Other financial liabilities	18	25.24	27.46	20.05
Other current liabilities	19	25.77	11.04	38.89
Provisions	16	2.78	3.71	1.71
Current tax liabilities (net)		11.28	-	-
		218.21	**139.65**	**227.02**
TOTAL EQUITY & LIABILITIES		**2,455.10**	**1,068.33**	**1,018.85**
Summary of significant accounting policies	2.1			

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Govind Ahuja
Partner
Membership no: 048966

Place of Signature: Mumbai
Date : 11th July, 2018

For and on behalf of the Board of directors of Nazara Technologies Limited (Formerly known as Nazara Technologies Private Limited)

Vikash Mittersain
Chairman Cum Managing Director
DIN-00156740

Nitish Mittersain
Managing Director
DIN-02347434

Manish Agarwal
Chief Executive Officer

Rakesh Shah
Chief Financial Officer

Vinav Agarwal
Company Secretary

Place of Signature: Mumbai
Date : 11th July, 2018

Standalone statement of profit and loss for the year ended 31st March, 2018

(Rupees in million)

	Notes	For the year ended March 31, 2018	March 31, 2017
Income			
Revenue from operations	20	663.54	773.62
Other income	21	349.80	64.54
Total income		**1,013.34**	**838.16**
Expenses			
Cost of content		56.38	54.19
Advertising cost		140.28	234.64
Employee benefits expense	22	254.26	210.97
Depreciation and amortisation expense	23	11.58	10.74
Finance costs	24	2.10	1.08
Other expenses	25	229.47	193.67
Total expenses		**694.07**	**705.29**
Profit before tax and exceptional item		**319.27**	**132.87**
Exceptional item	26	(357.18)	-
Profit / (loss) before tax		**(37.91)**	**132.87**
Tax expense			
Current tax		79.52	41.41
Deferred tax		(13.36)	(0.96)
Total tax expense		**66.16**	**40.45**
Profit / (loss) for the year		**(104.07)**	**92.42**
Other comprehensive income			
Item that will not be reclassified subsequently to the statement of profit and loss			
Remeasurements of post-employment benefit obligation		0.23	1.01
Income tax relating items that will not be reclassified to profit or loss		(0.07)	(0.35)
Item that will be reclassified subsequently to the statement of profit and loss			
Change in fair value of FVOCI debt instruments		(1.31)	6.08
Income tax relating to items that will be reclassified to profit or loss		0.13	(0.61)
Other comprehensive income / (loss) for the year, net of tax		**(1.02)**	**6.13**
Total Comprehensive Income/ (Loss) for the year attributable to equity		**(105.09)**	**98.55**
Earnings per equity share (nominal value of Rs 4 each)	30		
Basic		(4.11)	3.72
Diluted		(4.11)	3.58
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Govind Ahuja
Partner
Membership no: 048966

Place of Signature: Mumbai
Date : 11th July, 2018

For and on behalf of the Board of directors of Nazara Technologies Limited
(Formerly known as Nazara Technologies Private Limited)

Vikash Mittersain
Chairman Cum
Managing Director
DIN-00156740

Nitish Mittersain
Managing Director
DIN-02347434

Manish Agarwal
Chief Executive Officer

Rakesh Shah
Chief Financial Officer

Vinav Agarwal
Company Secretary

Place of Signature: Mumbai
Date : 11th July, 2018

Standalone statement of cash flow for the year ended 31st March, 2018

(Rupees in million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Profit / (loss) before tax for the year	(37.91)	132.87
Adjustments for :		
Fair value gain on mutual fund and tax free bonds	(35.27)	(30.13)
Expense on employee stock option scheme	88.35	28.07
Depreciation and amortisation expense	11.58	10.74
Gain on write off of fixed assets	-	(0.00)
Bad debts	1.21	-
Provision for doubtful debts	67.57	31.36
Liabilities written back / provision no longer required	(1.18)	(3.05)
Interest expenses	1.29	-
Unrealised foreign exchange loss	3.68	0.18
Net gain on sale of current investments	(5.84)	(26.13)
Gain on liquidation of subsidiary	-	(0.62)
Interest income	(4.25)	(4.24)
Dividend income	(303.28)	(0.37)
Exceptional item (Refer Note 26)	357.18	-
Operating profit before working capital changes	**143.13**	**138.68**
Working capital adjustments :		
Increase / (decrease) in trade payables	56.99	(64.90)
Increase in long-term provisions	4.17	2.30
Increase / (decrease) in short term provisions	(0.93)	2.00
Increase / (decrease) in other current liabilities	12.51	(20.39)
(Increase) / decrease in trade receivables	(179.85)	37.94
(Increase) in loans and advances	(38.93)	(1.53)
(Increase) / decrease in other current assets	(7.99)	42.11
Cash generated from operations	**(10.90)**	**136.21**
Direct taxes paid (net of refunds)	(64.73)	(53.68)
Net cash flow from / (used in) operating activities (A)	**(75.63)**	**82.53**
Cash flow from investing activities		
Purchase of property, plant and equipment, including intangible assets under development	(5.80)	(5.96)
Proceeds from sale of property, plant and equipment	-	0.01
Acquisition of shares in subsidiary	(657.65)	-
Purchase of non-current investments	(9.01)	-
Purchase of current investments	(530.00)	(505.07)
Proceeds from redemption/maturity of current investments	458.48	403.02
Proceeds from liquidation of subsidiary	-	0.63
Investment in bank deposits (having original maturity of more than three months)	-	(1.65)
Redemption / maturity of bank deposits (having original maturity of more than three months)	1.50	-
Interest received on fixed deposits and loans given to subsidiary	4.34	2.45
Dividend received from subsidiary company	302.52	-
Dividends received on current Investments	-	0.37
Net cash flow (used in) investing activities (B)	**(435.62)**	**(106.20)**

(Rupees in million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from financing activities		
Dividend paid on equity shares (net of tax)	(300.38)	-
Short term loan availed	300.00	-
Repayment of short tem loan availed	(301.29)	-
Issue of equity shares	765.31	-
Share issue expenses	(5.00)	-
Net cash from financing activities (C)	**458.64**	**-**
Net decrease in cash and cash equivalents (A)+(B)+(C)	**(52.61)**	**(23.67)**
Effect of exchange differences on cash & cash equivalents held in foreign currency	(0.01)	(0.69)
Cash and cash equivalents at the beginning of the year	78.08	102.44
Cash and cash equivalents at the end of the year (refer note 11)	**25.46**	**78.08**
Cash and cash equivalents as above comprises of the following		
Cash in hand	0.19	-
Balances with bank	25.27	78.08
Total cash and cash equivalents (refer note 11)	**25.46**	**78.08**

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Govind Ahuja
Partner
Membership no: 048966

Place of Signature: Mumbai
Date : 11th July, 2018

For and on behalf of the Board of directors of Nazara Technologies Limited (Formerly known as Nazara Technologies Private Limited)

Vikash Mittersain
Chairman Cum
Managing Director
DIN-00156740

Nitish Mittersain
Managing Director
DIN-02347434

Manish Agarwal
Chief Executive Officer

Rakesh Shah
Chief Financial Officer

Vinav Agarwal
Company Secretary

Place of Signature: Mumbai
Date : 11th July, 2018

Standalone statement of changes in equity for the year ended 31st March, 2018

(a) Equity shares:

of Rs 10 each issued, subscribed and fully paid

	No of shares	Amount
At April 1, 2016	19,89,246	19.89
At March 31, 2017	19,89,246	19.89

of Rs 4 each issued, subscribed and fully paid (refer note 1)

	No of shares	Amount
At March 31, 2018	2,69,72,619	107.89

(b) Other equity

	Capital redemption reserve	Securities premium reserve	Retained earnings	Share based payment reserve	Capital contribution from shareholder	Total reserves and surplus	Debt instruments through other comprehensive income	Total other reserves	Total
As at April 1, 2016	**1.30**	-	**760.87**	**-**	**-**	**762.17**	**0.98**	**0.98**	**763.15**
Profit for the year	**-**	-	92.42	**-**	**-**	**92.42**	**-**	**-**	**92.42**
Other comprehensive income for the year	**-**	-	0.66	**-**	**-**	**0.66**	5.47	**5.47**	**6.13**
Expense on employee stock option scheme		-		37.00	**-**	**37.00**	**-**	**-**	**37.00**
As at March 31, 2017	**1.30**	**-**	**853.95**	**37.00**	**-**	**892.25**	**6.45**	**6.45**	**898.70**
As at April 1, 2017	**1.30**	**-**	**853.95**	**37.00**	-	**892.25**	**6.45**	**6.45**	**898.70**
(Loss) for the year	-	-	(104.07)	-	-	**(104.07)**	-	**-**	**(104.07)**
Other comprehensive income for the year	-	-	0.16	-	-	**0.16**	(1.18)	**(1.18)**	**(1.02)**
Addition on issue of shares	-	1,191.67	-	-	-	**1,191.67**	-	-	**1,191.67**
Share issue expenses		(5.00)	-	-	-	**(5.00)**	-	-	**(5.00)**
Utilised for issue of bonus shares	-	-	(79.70)	-	-	**(79.70)**	-	-	**(79.70)**
Dividend paid (including dividend distribution tax)	-	-	(300.38)	-	-	**(300.38)**	-	-	**(300.38)**
Expense on employee stock option scheme (refer note 33 (d))	-	-	-	157.59	-	**157.59**	-	-	**157.59**
Share based payment on account of transfer of shares by a shareholder (refer note 33 (d))			-	-	357.18	**357.18**	-	-	**357.18**
As at March 31, 2018	**1.30**	**1,186.67**	**369.96**	**194.59**	**357.18**	**2,109.70**	**5.27**	**5.27**	**2,114.97**

Notes:

1) On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of Rs 10/- each into 2.5 fully paid up equity share having face value of Rs 4/- each.

   On 28 December 2017, the shareholders also approved the issuance of bonus shares in the ratio of 4:1 (4 bonus shares for every 1 equity share held). However, the Company allotted bonus shares to existing shareholders on 4th January,2018 by capitalisation of reserves.

2) Capital redemption reserve

   Capital redemption reserve was created on buyback of equity shares of the company in accordance with Provisions of Companies Act 2013.

3) Securities premium reserve

   Securities premium reserve is used to record premium on issue of shares. The reserve is utilised in accordance with provisions of Companies Act, 2013.

4) Shared based payment reserve

   The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R.Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Govind Ahuja
Partner
Membership no: 048966

Place of Signature: Mumbai
Date : 11th July, 2018

For and on behalf of the Board of directors of Nazara Technologies Limited
(Formely known as Nazara Technologies Private Limited)

Vikash Mittersain
Chairman Cum
Managing Director
DIN-00156740

Nitish Mittersain
Managing Director
DIN-02347434

Manish Agarwal
Chief Executive
Officer

Rakesh Shah
Chief Financial Officer

Vinav Agarwal
Company Secretary

Place of Signature: Mumbai
Date : 11th July, 2018

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

1. Corporate information

Nazara Technologies Limited (the "Company") incorporated in India on 8th December, 1999 as a Private Limited Company, is primarily engaged in providing subscription / download of games / other contents through consumer base in India and worldwide and digital advertising services.

On 13th December, 2017, the Company has converted from Private Company to Public Company, pursuant to which the name of the Company has changed to Nazara Technologies Limited.

The standalone financial statements (SFS) were authorized for issue in accordance with a resolution of Board of Directors on 11th July, 2018.

2. Basis of preparation and significant accounting policies:

2.1 Basis of preparation:

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) and notified under the Companies (Accounting Standards) Rules, 2015 and subsequent amendments thereof.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. The Company has availed first time adoption exemption as per Ind AS 101 (refer note 40).

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013 ("the Act"), read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP' or 'Previous GAAP'), the relevant provisions of the Companies Act, 2013 ("the 2013 Act''), as applicable. In this financial statements for the year ended March 31, 2018, the financial statements for the previous year ended 31st March, 2017 and balance sheet as at 1st April, 2016, have been prepared and presented as per Ind AS for like to like comparison.

Financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value. The standalone financial statements are presented in Indian Rupees and all value are rounded to the nearest million, except when otherwise indicated.

2.2 Significant accounting, judgments, estimates and assumptions

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates or judgments are:

- Estimation of useful life of property, plant and equipment and intangible asset Note 3 & 4
- Estimation of defined benefit obligation Note 31
- Impairment of financial assets & non-financial assets Note 35
- Estimation of fair value of unlisted securities Note 36
- Share based payment Note 33

2.3 Summary of Significant accounting polices

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized in normal operating cycle or within twelve months after the reporting period or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle or due to be settled within twelve months after the reporting period
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

b) Foreign currency translation and transactions

Functional and presentation currency

The standalone financial statements are presented in Indian Rupees (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of the following:

➢ Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognized in profit or loss in the standalone financial statements of the reporting entity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

c) Revenue recognition

- **Income from services**

Service revenue mainly pertains to subscription / download of games / other contents and is recognized based on

subscription / download pack validity period.

Revenue from advertising services is recognized in the period in which advertisements are displayed

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the balance sheet whereas unbilled revenue is recognised within other current financial assets.

- **Interest**

Interest income is recorded using the effective interest rate ('EIR') method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or over a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of the financial liability. Interest income is included under the head "finance income" in the statement of profit and loss account.

- **Dividends**

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

The right to receive dividend is generally established when shareholders approve the dividend.

d) Income taxes

Income tax expense comprises of current and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961..

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in OCI or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle applicable for bargain purchase gains. All other acquired tax benefits realised are recognised in profit and loss.

e) Retirement and other employee benefits

Retirement benefit in the form of provident fund is defined contribution scheme. The Company has no obligation, other than the contribution payable to such schemes. The Company recognizes contribution payable to such schemes as an expense, when an employee renders the related service.

The Company’s obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss -Service costs comprising current service costs and Net interest expense or income.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Liability for gratuity as at the year-end is provided on the basis of actuarial valuation.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Compensated absence

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Long-term employee benefits.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

f) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three broad categories:

- Debt instruments assets at amortized cost
- Debt instruments at fair value through OCI (FVTOCI)

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

- Debt instruments at fair value through profit and loss (FVTPL)

Debt instruments at amortized cost

A Debt instrument is measured at amortized cost (net of any write down for impairment) the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes) and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit and loss. The losses arising from impairment are recognized statement of profit and loss. This category generally applies to trade and other receivables

Debt instruments at fair value through OCI (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments at fair value through profit and loss (FVTPL)

FVTPL is a residual category for company's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

All investments (except investment in subsidiary) included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss

In addition, the company may elect to designate an instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Derecognition

When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; It evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair value through profit & loss and equity instruments recognized in OCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, lease obligations, and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

iv. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

g) Investment in subsidiaries

The Company has accounted for its investment in subsidiaries at cost.

h) Fair value measurement

The company measures financial instrument such as investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability - or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Currently company carries those instruments where in level 1 inputs of the above mentioned fair value hierarchy is used.

The Company's board Committee approves the policies for both recurring and non-recurring fair value measurement. Where seen appropriate external valuers are involved. The board committee reviews the valuation results. This includes a discussion of the major assumptions used in the valuations.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

i) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant if the recognition criteria are met.

Capital work in progress is stated at cost net of accumulated impairment losses, if any. Capital work-in-progress comprises of expenditure incurred for construction of building.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment are eliminated from standalone financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives (except computer) used by the Company are different from rates prescribed under Schedule II of the Companies Act 2013. These rates are based on evaluation of useful life estimated by the management supported by internal technical evaluation. The range of useful lives of the property, plant and equipment are as follows:

Property, plant and equipment	Useful lives estimated by the management (years)
Furniture and fixtures	5 years
Computer and Printers	3 years
Office equipment	3 years
Motor Car	3 years

j) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the asset can be measured reliably. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

k) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The impairment calculations are based on detailed budgets and forecast calculations for each of the Company's CGUs covering a period of five years and applying a long-term growth rate to project future cash flows after the fifth year.

Impairment losses of operations are recognized in the statement of profit and loss.

At each reporting date if there is an indication that previously recognized impairment losses no longer exist or have decreased, the Group estimates the asset's or CGU's recoverable amount . A previously recognized impairment loss is reversed in the statement of profit and loss only to the extent of lower of its recoverable amount or carrying amount net of depreciation considering no impairment loss recognized in prior years only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

l) Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease:

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis.

m) Provisions, Contingent liabilities, Contingent assets and Commitments

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, where an inflow of economic benefits is probable.

n) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share- based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity settled transactions).

The cost is recognized in employee benefits expense, together with a corresponding increase in Stock option outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

In respect of equity settled share based payment resulting from shareholders of the company to employees, the amount equivalent to the cost recorded by the Company is recorded at fair value of the shares as part of equity under Contribution from Shareholders.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for bonus elements and share split in equity shares, if any, issued during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders after taking into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) Corporate Social Responsibility (CSR) Expenditure

CSR expense is recognized as it is incurred by the company or when company has entered into any legal or constructive obligation for incurring such an expense.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

3 Property, plant and equipment

	Property, plant and equipment					
	Computers	Office equipments	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Cost						
As at April 1, 2016	28.73	3.83	1.51	1.09	3.56	38.72
Additions	0.34	0.63	-	-	-	0.97
Disposals	(0.57)	(0.50)	-	-	(3.56)	(4.63)
As at March 31, 2017	**28.50**	**3.96**	**1.51**	**1.09**	**-**	**35.06**
Additions	0.07	0.26	-	2.67	-	3.00
As at March 31, 2018	**28.57**	**4.22**	**1.51**	**3.76**	**-**	**38.06**
Depreciation / Amortisation						
As at April 1, 2016	15.68	2.58	0.94	1.09	3.56	23.85
Charge for the year	6.05	0.80	0.22	-	-	7.07
Accumulated Depreciation on Disposals	(0.57)	(0.50)	-	-	(3.56)	(4.63)
As at March 31, 2017	**21.16**	**2.88**	**1.16**	**1.09**	**-**	**26.29**
Charge for the year	5.42	0.68	0.13	0.52	-	6.75
As at March 31, 2018	**26.58**	**3.56**	**1.29**	**1.61**	**-**	**33.04**
Net block						
As at April 1, 2016	**13.05**	**1.25**	**0.57**	**-**	**-**	**14.87**
As at March 31, 2017	**7.34**	**1.08**	**0.35**	**-**	**-**	**8.77**
As at March 31, 2018	**1.99**	**0.66**	**0.22**	**2.15**	**-**	**5.02**

4 Intangible assets and intangible assets under development

	Intangible assets				Intangible asset (Games) under development
	Computer software	NGDP Platform	Mygamma and Djuzz platform	Total	
As at April 1, 2016	16.01	-	3.64	19.65	3.60
Additions	-	7.20	-	7.20	
Transfers					(2.20)
As at March 31, 2017	**16.01**	**7.20**	**3.64**	**26.85**	**1.40**
Additions	-	4.20	-	4.20	-
Transfers					(1.40)
As at March 31, 2018	**16.01**	**11.40**	**3.64**	**31.05**	**-**
Amortisation					
As at April 1, 2016	11.48	-	3.63	15.11	-
Charge for the year	2.34	1.33	-	3.67	-
As at March 31, 2017	**13.82**	**1.33**	**3.63**	**18.78**	**-**
Charge for the year	1.89	2.94	-	4.83	-
As at March 31, 2018	**15.71**	**4.26**	**3.63**	**23.61**	**-**
Net block					
As at April 1, 2016	**4.53**	**-**	**0.01**	**4.54**	**3.60**
As at March 31, 2017	**2.19**	**5.87**	**0.01**	**8.07**	**1.40**
As at March 31, 2018	**0.30**	**7.13**	**0.01**	**7.44**	**-**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

5 Investment in subsidiaries

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Investment in subsidiaries						
Unquoted equity shares						
Equity instruments at cost						
Nazara Technologies FZ LLC	5,000	0.64	5,000	0.64	5,000	0.64
Equity shares of AED 10 each						
Nazara Europe Limited	-	-	-	-	100	0.01
Equity shares of GBP 1 each						
Nazara Pro Gaming Private Limited	9,999	0.10	-	-	-	-
Equity shares of Rs 10 each						
Nazara Pte Limited	1,000	0.05	1,000	0.05	1,000	0.05
Equity shares of SGD 1 each						
Next Wave Multimedia Pvt Ltd	17,460	363.71	-	-	-	-
Equity shares of Rs 100 each (Refer Note 33 (d)(ii))						
Nodwin Gaming Private Limited	7,376	769.63	-	-	-	-
Equity shares of Rs 10 each						
Total		**1,134.13**		**0.69**		**0.70**

6 Non Current and Current Investments

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Non-current investments						
Investment in others						
Equity instruments at fair vaue through profit and loss (fully paid)						
Moonglab Technologies Private Limited	2,196	5.00	-	-	-	-
Equity shares of Rs 10 each						
Compulsorily Convertible Interest free loan (refer note 1 below)						
Halaplay Technologies Private Limited	10	0.01	-	-	-	-
Equity shares of Rs 10 each						
Compulsorily convertible preference share instruments at FVTPL						
Halaplay Technologies Private Limited	3,450	4.00	-	-	-	-
0.1% cumulative compulsorily convertible preference shares of Rs 100 each						
Total		**9.01**		**-**		**-**

Note:

1) On 14th August, 2017, the Company had given an irredeemable loan of Rs 2.5 million to Moonglabs Technologies Pvt Limited ('Moonglabs'), a company engaged in the business of development of mobile software. Further on 26th December, 2017, the Company gave an additional loan of Rs 2.5 million to Moonglabs. The loan of 5 million is an interest free loan which can be compulsorily converted into fixed number of equity shares i.e 2,196 equity shares at a fixed rate, at the option of the Company. As the issuer of the instrument has to compulsorily convert this loan into equity, hence this amount has been classified as investment in equity shares as per Ind AS 32 by the company.

Subsequently on April 9,2018 , this loan amount got converted into 2196 equity shares

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

2) In January 2018, the Company has invested Rs. 767.68 million for 55% of equity share capital of Nodwin Gaming Private Limited ('Nodwin'), a company engaged in activities pertaining to eSports in India. The Company has made this investment by subscribing 3,414 equity shares of Rs 10/- each for Rs. 355.32 million issued by Nodwin for cash and by acquiring 3,962 equity shares of Rs 10/- each from an existing shareholders of Nodwin by issuing 7,53,854 equity Shares of the Company of Rs. 4/- each valued at Rs. 547/- fully paid. Nazara issued 485,018 equity shares of Rs. 4 each at Rs. 547 per share to Turtle Entertainment GmbH ("ESL"), German eSports Company for Rs.265.30 million to part fund this acquisition.

3) In December 2017, the Company has invested Rs 322.22 million for 52.38% of equity share capital of Nextwave Multimedia Private Limited ("NextWave"), a company engaged in the business of designing, marketing and publishing games across platforms. The Company made this investment by acquiring 11,921 equity shares of Rs 100 each from the existing shareholders for Rs. 220 million in cash and subscribing to 4,335 equity shares of Rs 100 each aggregating to Rs. 80 million, issued by NextWave for cash. Further, the Company acquired 1,204 equity shares of Rs 100 each from an existing shareholder of NextWave by issuing 3,263 equity Shares of the Company of Rs.10 each valued at Rs. 6,834 fully paid. The Company borrowed Rs 300 million to fund this transaction."

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of units	Amount	No of units	Amount	No of units	Amount
Current investments						
Investments in mutual funds (Refer note)						
Quoted investments at FVTPL						
SBIMF-Magnum income fund	15,77,816	66.95	17,56,450	70.91	17,56,450	62.91
BNP paribas flexi debt fund	8,28,972	24.59	8,28,972	23.56	8,28,972	21.23
SBI ultra short term fund	4,515	10.12	12,830	26.95	23,994	46.72
SDFS 17 months - series 1	-	-	-	-	10,03,037	12.16
SDFS 18 months - series XII	-	-	-	-	25,00,000	30.45
SBI dynamic bond fund	-	-	-	-	17,51,096	31.75
ICICI prudential gilt fund	6,70,604	40.06	6,70,604	38.02	8,48,326	42.51
Kotak gilt investment regular growth	6,27,212	36.55	6,27,212	35.35	8,37,909	42.34
SBI short term fund	12,10,302	24.24	12,10,302	22.88	12,10,302	20.97
SBI corporate bond	28,58,784	79.85	28,58,784	74.92	8,50,008	20.26
SBI debt fund series B – 33	20,00,000	23.45	20,00,000	22.03	20,00,000	20.23
SBI regular saving fund (refer below note 1)	34,70,651	104.80	34,70,651	98.16	20,09,765	50.17
Birla sunlife saving fund	269	0.09	-	-	86,812	25.42
Birla sunlife saving fund	-	-	-	-		-
ICICI prudential flexible income - regular growth	-	-	-	-	1,64,989	47.22
IIFL cash opportunities fund	64,34,612	77.74	47,00,293	53.51	28,50,436	30.09
Birla sun life dynamic bond fund	3,39,552	10.18	3,39,552	9.86	-	-
Birla sun life short term opportunities fund	3,68,370	10.63	3,68,370	10.00	-	-
BNP paribas medium term income fund	7,83,447	10.87	7,83,447	10.26	-	-
DSP black rock income opportunities fund	3,72,250	10.65	3,72,250	10.01	-	-
IDFC super saver income fund short term	6,41,350	22.69	6,41,350	21.40	-	-
L&T income opportunities fund	17,22,655	34.29	17,22,655	32.16	-	-
Reliance short term fund	8,53,280	27.86	8,53,280	26.30	-	-
SBI treasury advantage fund	18,977	36.55	18,977	34.30	-	-
Tata short term bond fund	3,51,136	11.34	3,51,136	10.73	-	-
UTI short term income fund	10,75,645	22.72	10,75,645	21.45	-	-
Aditya Birla Sun Life Corporate Bond Fund regular growth	7,99,316	10.34	-	-	-	-
Reliance Corporate Bond Fund-Growth Plan	7,32,295	10.26	-	-	-	-
Aditya Birla Sunlife Cash Plus	6,91,188	69.31				
Total investment in mutual funds at fair value through profit and loss		**776.13**		**652.76**		**504.43**
Investments in debentures						
Quoted debentures at amortised cost						
IIFL wealth finance market linked debentures	-	-	100	10.00	-	-
Total investment in debentures at amortised cost	**-**	**-**	**100.00**	**10.00**	**-**	**-**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of units	Amount	No of units	Amount	No of units	Amount
Investments in tax free bonds						
Quoted bonds at FVOCI						
7.39% HUDCO tax free bond series IIA	7,007	7.69	7,007	7.77	7,007	7.22
7.39% HUDCO bond tax free bond series IIA	7,529	8.31	7,529	8.22	7,529	7.54
7.35% IRFC tax free bond series IIA	5,878	6.46	5,878	6.48	5,878	6.08
7.35% NABARD tax free bond series IIA	5,010	5.49	5,010	5.49	5,010	5.21
7.35% NHAI tax free bond series IIA	14,285	16.01	14,285	15.84	14,285	14.70
7.39% NHAI tax free bond series IIA	15,419	17.03	15,419	18.50	15,419	15.47
Total investment in tax free bonds at FVOCI		**60.99**		**62.30**		**56.22**
Total current investments		**837.12**		**725.06**		**560.65**

Note:

1) Out of the above investment in mutual funds, investments having cost of Rs. 10.70 million pertaining to SBI regular saving fund has been marked as lien against the bank guarantee of the company as at March 31,2018 (March 31,2017: Nil and April 1,2016 : Nil)

7 Non Current and Current Loan and Deposits

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Unsecured, considered good			
Security deposits	13.67	14.12	12.06
Total	**13.67**	**14.12**	**12.06**
Current			
Unsecured, considered good			
Security deposits	1.50	0.69	1.74
Loan to employees	0.32	0.58	-
Total	**1.82**	**1.27**	**1.74**

8 Other Non-Current financial assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Fixed deposits with original maturity of more than 12 months (refer below note)	1.65	1.65	1.50
Interest receivable	0.14	0.03	0.07
Total	**1.79**	**1.68**	**1.57**

Note:

The fixed deposit aggregating to Rs 1.65 Million (31 March, 2017: Rs 1.65 Million and 1 April 2016 : Rs. 1.50 million) is under lien to bank for issuing bank guarantee as security towards the due observance and performance of the terms and conditions of agreement executed with a customer, Bharat Sanchar Nigam Limited.

9 Other non-current Assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid expense	3.00	-	-
Advance income -tax (net of provision for tax)	16.03	19.54	7.25
Total	**19.03**	**19.54**	**7.25**

10 Trade receivables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables			
Unsecured considered good	223.51	116.16	183.94
Doubtful	89.78	29.28	-
Impairment Allowance			
Doubtful	(89.78)	(29.28)	-
Total	**223.51**	**116.16**	**183.94**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

11 Cash and cash equivalents and other bank balances

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and cash equivalents			
Cash on hand	0.19	-	-
Balances with banks			
- in current accounts	25.27	78.08	77.44
- in fixed Deposits with original maturity for less than 3 months	-	-	25.00
	25.46	**78.08**	**102.44**
Other bank balances			
Balances with banks			
'- in fixed deposits with remaining maturity of less than 12 months	-	1.50	-
	-	**1.50**	**-**
Total	**25.46**	**79.58**	**102.44**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks:			
-On Current accounts	25.27	78.08	77.44
-Deposits with original maturity of less than three months	-	-	25.00
Cash on hand	0.19	-	-
Total	**25.46**	**78.08**	**102.44**

12 Other current financial assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Unsecured, considered good			
Unbilled revenue			
-Unsecured, Considered good	52.07	44.13	88.31
-Doubtful	9.15	2.08	-
Impairment Allowance (allowance for unbilled revenue)			
-Doubtful	(9.15)	(2.08)	-
Other receivables from related parties (refer note 27 (1))	35.20	-	-
Receivable from a subsidiary company (refer note 27)	37.04	8.93	-
Interest accrued but not due			
-from banks	2.05	2.24	0.44
Total	**126.36**	**55.30**	**88.75**

13 Other current assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances recoverable in cash or kind or for value to be received (Refer note 1 below)	0.82	0.26	0.81
Advance to vendors	6.00	10.74	12.52
Prepaid expenses	8.95	10.00	4.77
Balances with government authorities	9.31	3.44	6.39
Total	**25.08**	**24.44**	**24.49**

Note:

1) Out of the above amount Rs 0.01 is receivable from a related party (refer note 27)

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

14 Share capital

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Share capital			
Authorised shares			
Nil (March 31, 2017: 2,198,796; April 1, 2016: 2,198,796) equity shares of Rs 10 each	-	21.99	21.99
34,371,990 (March 31, 2017: Nil; April 1, 2016: Nil) equity shares of Rs 4 each (refer note 1 below)	137.49	-	-
1,251,204 (March 31, 2017: 1,251,204; April 1, 2016: 1,251,204) preference shares of Rs 10 each	12.51	12.51	12.51
	150.00	**34.50**	**34.50**
Issued, subscribed and fully paid up			
Nil (March 31, 2017: 1,989,246; April 1, 2016: 1,989,246) equity shares of Rs 10 each	-	19.89	19.89
26,972,619 (March 31, 2017: Nil; April 1, 2016: Nil) equity shares of Rs 4 each	107.89	-	-
	107.89	**19.89**	**19.89**

(a) Details of shareholders holding more than 5% share in the Company

Equity shares of Rs 10 each

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of Shares	% Holding	No of Shares	% Holding	No of Shares	% Holding
Mitter Infotech LLP	-	-	5,58,356	28.07%	5,58,356	28.07%
West Bridge Venture II Investment Holdings	-	-	13,52,944	68.01%	13,52,944	68.01%

Equity shares of Rs 4 each

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of Shares	% Holding	No of Shares	% Holding	Number	% Holding
Mitter Infotech LLP	59,55,125	22.08%	-	-	-	-
West Bridge Venture II Investment Holdings	61,21,210	22.69%	-	-	-	-
Rakesh Jhunjhunwala	32,94,310	12.21%	-	-	-	-
IIFL Special Opportunity Fund	14,56,320	5.40%	-	-	-	-
Nitish Mittersain	14,75,335	5.47%	-	-	-	-

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

(b) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Out of the equity shares and preference shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
West Bridge Venture II Investment Holdings , the holding company from 30th March, 2016, till 23rd November, 2017						
Nil (March 31, 2017: 1,352,944; April 1, 2016: 1,352,944) equity shares of Rs 10 each fully paid. (refer note 3 below)	-	-	13,52,944	13.53	13,52,944	13.53
6,121,210 (March 31, 2017: Nil; April 1, 2016: Nil) equity shares of Rs 4 each fully paid. (refer note 1 and 3 below)	61,21,210	24.48	-	-	-	-

Notes:

1) On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of Rs 10/- each into 2.5 fully paid up equity share having face value of Rs 4/- each. Accordingly, the outstanding 1,992,509 equity shares having face value of Rs 10 each aggregating to Rs 19.93 million as at 27th December, 2017 were sub-divided into 4,981,272 equity shares having face value of Rs 4 each aggregating to Rs 19.93 million.

2) On 28 December 2017, the shareholders also approved the issuance of bonus shares in the ratio of 4:1 (4 bonus shares for every 1 equity share held). However, the Company allotted bonus shares to existing shareholders on 4th January,2018 by capitalisation of reserves

3) On 23rd November,2017 and 24th November, 2017, West Bridge Venture II Investment Holding sold/transferred 839,650 equity shares to financial investors and certain employees of the Company. Accordingly, West Bridge II Investment Holding is no longer the holding company and West Bridge Venture LLC is no longer the ultimate holding company from 24th November, 2017.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares of Rs 10 each

	No of Shares	Amount
As at April 1, 2016	**19,89,246**	**19.89**
Issued during the year	-	-
As at March 31, 2017	**19,89,246**	**19.89**
Issued during the year	3,263	0.03
Share split and converted to equity shares of Rs 4 each	(19,92,509)	(19.93)
As at March 31, 2018	**-**	**-**

Equity shares of Rs 4 each (refer note 1 above)

	No of Shares	Amount
As at April 1, 2016	**-**	**-**
Issued during the year	-	-
As at March 31, 2017	**-**	**-**
Share split and converted to equity shares of Rs 4 each	49,81,272	19.93
Bonus shares issued during the period (refer note 2 above)	1,99,25,088	79.70
Issued during the period	20,66,259	8.27
As at March 31, 2018	**2,69,72,619**	**107.89**

(d) Terms / rights attached to equity shares

1. Voting rights

   Each shareholder is entitled to one vote per equity share having value of Rs 4 per equity share.

2. Right as to dividend

   The equity share holder is entitled to receive dividend as and when declared by the Board of Directors subject to approval of members at the Annual General Meeting.

3. Rights on further issue including anti dilution Rights:

   In the event the Company proposes to make preferential issue of shares then ‘West Bridge Ventures II Investment Holdings’ (‘Investor’) have first right to subscribe on a pro-rata percentage of the entire issue on the basis of existing holding on a fully diluted basis so that the existing shareholding percentage in the Company remain same.

   In addition to above, the investor have anti dilution rights including right to be allotted proportionate shares without consideration in case of certain events as defined in shareholder’s agreement.

4. Right of first offer, Right of Refusal and Tag Along Rights

   In the event Investor propose to transfer all or part of their securities to any person, it shall first offer to Mitter Infotech LLP and two individual shareholders (‘Founders’) , a pro rata right to purchase all their shares. Investor shall have the right to exercise certain specified tag along rights in case the Founders proposes to transfer any securities to any person in certain cases as defined in Articles of Association (AOA).

   In the event Emerging Investments Limited and other two company shareholders and one individual shareholders (‘Other Shareholders’) propose to transfer all or part of their securities to any person, investor and founders have pro rata right to purchase all their Shares.

5. Drag Along Rights:

   In case, the investor receives an offer for sale to third party, the Investor has the right to call upon the founders to sell their part of shareholding subject to certain specified conditions as defined in the AOA of the Company.

6. Liquidation Preference:

   In the Event of “Liquidation Event” as defined in shareholders agreement, equity shareholders will be entitled to receive consideration or proceed on a pro rata basis in the proportions of their ownership in the total paid up capital of the company on a fully diluted basis as defined in the AOA of the Company, after distribution of all preferential amounts.

   “Liquidation event” shall (except for the issue of shares under an IPO) be deemed to include the following:-

(a) Commencement of any proceedings for the voluntary winding up of the Company in accordance with the Act or the passing of an order of any court appointing a provisional liquidator or administrator in any other proceeding seeking the winding up of the Company; or

(b) The consummation of a consolidation, merger, reorganization or other similar transaction (whether in one or a series of transactions) of the Company resulting in its Shareholders, collectively, retaining less than a majority of the voting power of the Company or the surviving entity immediately following such transaction after giving effect to any conversion exercise or exchange of any Securities convertible into or exercisable or exchangeable for, such voting Securities, or

(c) Sale or transfer of more than 50% [fifty percent] of the then outstanding Shares by the Shareholders, such that the Shareholders, which shall include the Investor, prior to any such transaction, retain after such transaction less than 50% of voting power of the Company

(d) The sale of, transfer of or creation of an encumbrance of any nature whatsoever or the appointment of a receiver in any proceedings, in more than 50% of the value of the assets and properties of the Company, including but not restricted to tangible and intangible assets of the Company, or any order of any court resulting in the sale of, transfer of or creation of an encumbrance of any nature whatsoever in more than 50% of the value of the assets and properties of the Company including but not restricted to tangible and intangible assets of the Company (whether in one or a series of transactions), which has not been vacated within 15 days of the passing of such order by the court. Subsection (d) would not apply to a case of consolidation, merger, reorganisation or other similar transaction referred to in sub-section (b)

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

The parties to the Termination Agreement dated 17th January, 2018 waiver certain rights from the date of the execution of the Termination Agreement, including (i) the right of first refusal of our Promoters and Westbridge under the Westbridge SHA in relation to the equity shares proposed to be transferred by Westbridge in the Offer; (ii) the right of first refusal of Westbridge under the Westbridge SHA in relation to the equity shares proposed to be transferred by Mitter Infotech LLP in the Offer; and (iii) the drag along right of Westbridge under the Westbridge SHA in relation to the equity shares proposed to be transferred by Westbridge in the Offer. Pursuant to the Termination Agreement certain provisions in the Westbridge SHA were amended, including (i) deletion of quorum requirement for Board meetings; (ii) deletion of clause on payment of fees relating to the initial public offering of our Company; and (iii) information rights under the Westbridge SHA. Further, in terms of the Termination Agreement, provided that Vikash Mittersain and Nitish Mittersain are our Directors, Westbridge shall have the right to appoint atleast two directors on our Board, which maybe waived by Westbridge in writing. The Westbridge SHA, as amended by the First Supplementary SSHA and the Termination Agreement shall stand terminated on a date prior to or on the date of listing of the Equity Shares on a recognised stock exchange, as mutually agreed by our Company, our Promoters and Westbridge. The waiver and amendments specified in the Termination Agreement shall cease to be operative in the event the Offer is not completed by 30 June, 2018.

7. Other Rights:

- Investor have right to have their representation on the board of the Company with an affirmative voting right and decision on certain reserved matters such as change or alteration in the rights of any class of shareholders, change in share capital of the Company, undertaking any merger, acquisition, consolidation / amalgamation, change in the composition of board of directors and change in scope of business activity.
- Pursuant to the Share purchase agreement, Rakesh Jhunjhunwala and Utpal Seth acquired 263,545 and 2,780 equity shares of the Company respectively from Westbridge. Accordingly, Rakesh Jhunjhunwala and Utpal Seth have been given the following rights in the event the Company does not undertake an initial public offering and listing of our equity shares by 7 December, 2018:

(i) the first right to participate or the right to subscribe to all the equity shares in the fund raising by the Company post 7 December, 2018;

(ii) the Company shall not without the affirmative written consent of Rakesh Jhunjhunwala and Utpal Seth take certain actions such as raising new capital, change in scope of business, related party transactions, change in rights associated with the equity shares and acquisition of any company;

(iii) tag along right in the event our Promoters transfer any equity shares post 7 December, 2018; and

(iv) execution of a restated shareholders agreement. Further, in the event the initial public offering of the Company is not completed within two years from the date of execution of the share purchase agreement, Rakesh Jhunjhunwala and Utpal Seth shall have the right to appoint a nominee director on the Board.

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer note 33

(f) Aggregate number of equity shares bought back during the period of five years immediately preceeding the reporting date:

Equity shares of Rs 10 each bought back by the Company	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
	No of shares		
FY 12-13	84,496	84,496	84,496
FY 14-15	45,400	45,400	45,400
	1,29,896	**1,29,896**	**1,29,896**

(g) Bonus issue

Aggregate number of equity shares issued as bonus by the Company:	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
	No of shares		
Equity shares allotted as fully paid bonus shares by capitalization of reserve	1,99,25,088	-	-
	1,99,25,088	**-**	**-**

(h) Dividend distribution made

Cash dividends on equity shares declared and paid	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
	Rs in million		
Interim dividend paid (including dividend distribution tax)	300.38	-	199.21
	300.38	**-**	**199.21**

Note

1. Aggregate number of equity shares issued for consideration other than cash during last 5 years : March 31, 2018 : 794,641 (post adjustment of bonus and sub-divison), March 31, 2017 : Nil, April 1, 2016 : Nil)

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

15 Other equity

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Reserves and surplus			
Capital redemption reserve account			
Opening balance	1.30	1.30	1.30
Less: utilised for issue of bonus shares	-		
Closing balance	**1.30**	**1.30**	**1.30**
Securities premium reserve account			
Opening balance	-	-	-
Addition on Issue of shares	1,191.67	-	-
Less: share issue expenses	(5.00)		
Closing balance	**1,186.67**	**-**	**-**
Retained earnings			
Opening balance	860.40	761.85	613.38
Less:- utilised for issue of bonus shares	(79.70)	-	-
Less:- utilised for dividend distribution (including dividend distribution tax)	(300.38)	-	(199.21)
Add: Profit / (loss) for the year	(104.07)	92.42	351.97
Item of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	0.16	0.66	(1.36)
- Net profit/(loss) on FVOCI debt instruments	(1.18)	5.47	0.98
Less:- tax on buyback of shares	-	-	(3.91)
Closing balance	**375.23**	**860.40**	**761.85**
Share based payment reserve			
Opening balance	37.00	-	-
Additions during the year	157.59	37.00	-
Closing balance	**194.59**	**37.00**	**-**
Capital contribution from shareholder (refer note 33 (d))			
Opening balance	-	-	-
Additions during the year	357.18	-	-
Closing balance	**357.18**	**-**	**-**
Total reserve and surplus	**2,114.97**	**898.70**	**763.15**

Notes:

1) Capital redemption reserve was created on buyback of equity shares of the company.

2) During the financial year 2015-16, the Company has converted 1,251,204 optionally convertible participating preference shares of Rs 10 each into 1,251,204 equity shares of Rs 10 each pursuant to resolution passed in Board Meeting on 30th March 2016.

3) Dividend proposed by the Board of Directors for Years ended March 31, 2016 has been considered as non-adjusting event as at respective year ends and has been adjusted against reserves and surplus for the Years ended March 31, 2016 as per requirement of Ind AS 10.

4) On 28 December 2017, the shareholders also approved the issuance of bonus shares in the ratio of 4:1 (4 bonus shares for every 1 equity share held). However, the Company allotted bonus shares to existing shareholders on 4th January, 2018 by capitalisation of reserves

16 Provisions

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Provisions for employee benefits			
Gratuity (refer note 32)	14.03	10.09	8.79
Total	**14.03**	**10.09**	**8.79**
Current			
Provision for employee benefits			
Compensated absences	2.78	3.71	1.71
	2.78	**3.71**	**1.71**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

17 Trade payables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payable			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 39)	153.14	97.44	166.37
Total	**153.14**	**97.44**	**166.37**

18 Other financial liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Payable to employees	23.24	25.46	17.91
Payable for capital expenditure	2.00	2.00	2.14
Total	**25.24**	**27.46**	**20.05**

19 Other current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from customers (refer note below)	15.95	5.23	21.87
Tax deducted at source payable	7.00	4.36	14.75
Equalisation levy payable	1.45	-	-
Statutory liabilities	1.37	1.45	2.27
Total	**25.77**	**11.04**	**38.89**

1) Out of the above advance from customers, advance of Rs 13.99 million pertains to refund of entertainment tax deducted by a customer, against a bank guarantee furnished by the Company amounting to Rs 15.58 million

20 Revenue from operations

	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from subscription / download of games and other contents	556.37	733.79
Revenue from advertising services	107.17	39.83
Total	**663.54**	**773.62**

21 Other income

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income on		
- bank deposits	0.17	0.19
- tax free bonds	4.07	4.05
Dividend income on		
-investment in subsidiaries	302.52	-
-current investments	0.75	0.37
Net gain on sale of current investments	5.84	26.13
Sundry balances written back	1.18	3.05
Gain on liquidation of subsidiary	-	0.62
Fair value gain on financial instruments at fair value through profit or loss	35.27	30.13
Other income	-	-
Total	**349.80**	**64.54**

22 Employee benefits expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	151.11	169.83
Contribution to provident and other funds	8.57	9.39
Expenses on employee stock option scheme (refer note 33)	88.35	28.07
Gratuity expenses (refer note 31)	4.85	2.44
Staff welfare expenses	1.38	1.24
Total	**254.26**	**210.97**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

23 Depreciation and amortisation expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment (refer note 3)	6.75	7.07
Amortisation of intangible assets (refer note 4)	4.83	3.67
Total	**11.58**	**10.74**

24 Finance costs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest	1.29	0.19
Bank charges	0.81	0.89
Total	**2.10**	**1.08**

25 Other expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Content management charges	1.79	2.02
Revenue share on subscription / download of games / other contents	17.00	59.25
Consumables for development and testing	0.39	0.44
Rent expenses	37.71	34.02
Rates and taxes	5.78	7.47
Insurance charges	2.14	1.76
Repairs and maintenance	5.84	5.48
Corporate social responsibility expenditure (refer note (ii) below)	1.31	4.75
Sales promotion and business development	7.41	5.51
Travelling and conveyance	11.78	9.30
Communication expenses	1.23	1.41
Printing and stationery	0.50	0.46
Legal and professional fees	29.31	11.93
Server charges	9.19	8.38
Bad debts written off	1.21	-
Provision for doubtful debts and unbilled revenue	67.57	31.36
Payment to auditors (refer note (i) below)	15.74	4.04
Loss on exchange fluctuation (net)	8.59	0.54
Miscellaneous expenses	4.98	5.55
Total	**229.47**	**193.67**

Notes:

(i) Payment to auditors

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor		
- Audit fee	12.21	3.79
- Reimbursement of expenses	0.32	-
In other capacity		
- for other services	14.16	0.25
Less: Fee for IPO related services disclosed as other receivables (refer note 12)	(10.95)	-
	15.74	**4.04**

(ii) Corporate social responsibilities

As per section 135 of the Companies Act 2013 and rules therein, the Group is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR).

Details of corporate social expenditures are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Gross amount required to be spent during the year	6.29	7.34
Amount spent during the period		
i) Construction / acquisition of any asset	-	2.00
i) On purposes other than (i) above	1.31	2.75
Total amount spent during the year	**1.31**	**4.75**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

26 Exceptional items

	For the year ended March 31, 2018	For the year ended March 31, 2017
Expense on Group share based payments (Refer Note 33 (d))	357.18	-
Total	357.18	-

27 Related party transactions

"Related party disclosures as required by notified Ind AS 24 Related party disclosures" as given below

A) Names of the related parties and related party relationship

Related parties where control exists

Ultimate holding company	West Bridge Venture LLC (till 23rd November, 2017)
Holding Company / Firm	West Bridge Venture II Investment Holdings (till 23rd November, 2017)
Entity with significant influence	West Bridge Venture II Investment Holdings (from 24th November, 2017)
Subsidiaries	Nazara Technologies FZ LLC Nazara Europe Limited (Dissolved on 2nd August, 2016) Nazara Pte Ltd Nazara Pro Gaming Private Limited (from 16th May, 2017) Nextwave Multimedia Private Limited (from 22nd December, 2017) Nodwin Gaming Private Limited (from 10th January, 2018)
Stepdown subsidiaries	Nazara Technologies Nazara Zambia Limited Nzmobile Nigeria Limited Nzmobile Kenya Limited Nazara Uganda Limited Nazara Bangladesh Limited

Related parties with whom transactions have taken place during the year

Entity with Significant influence	West Bridge Venture II Investment Holdings (from 24th November, 2017)
Associate of subsidiary	Mastermind Sports Limited (from 22nd May, 2017)
Key management personnel	Vikash Mittersain - Chairman Cum Managing Director Nitish Mittersain - Managing Director Manish Agarwal - Chief Executive Officer Rakesh Shah - Chief Financial Officer Vinav Agarwal - Company Secretary (from 28th December, 2017)
Enterprises owned or controlled by key management personnel	Mitter Infotech LLP (formerly Mitter Infotech Pvt Ltd)

B) Related party transactions:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration to Key management personnel - As per contract with the Company		
Vikash Mittersain	4.52	4.90
Nitish Mittersain	24.54	30.56
Manish Agarwal	20.66	26.66
Rakesh Shah	6.55	7.35
Vinav Agarwal	0.24	-
Exceptional employee benefit expense on account of share transferred by West Bridge Venture II Investment Holdings (refer note 33 (d))		
Nitish Mittersain	140.22	-
Manish Agarwal	216.96	-

ESOPs to Key management personnel		
Manish Agarwal	40.16	12.76
Rakesh Shah	20.08	6.38

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Service rendered		
Nodwin Gaming Private Limited	1.00	-
Cost of content		
Mastermind Sports Limited	2.07	-
Dividend paid		
Mitter Infotech LLP (formerly Mitter Infotech Private Limited)	84.31	-
West Bridge Venture II Investment Holdings	204.29	-
Vikash Mittersain	0.00*	-
Nitish Mittersain	0.00*	-
Dividend received		
Nazara Pte Ltd	237.50	-
Nazara Technologies FZ LLC	65.02	-
Rent paid on behalf of		
Vikash Mittersain	-	4.75
Nitish Mittersain	5.12	3.30
Rent recovered from		
Vikash Mittersain	-	4.75
Nitish Mittersain	4.21	3.30
Proceeds from liquidation of subsidiary		
Nazara Europe Limited	-	0.63
Shares acquired and subscribed	-	-
Nazara Pro Gaming Private Limited	0.10	-
Nextwave Multimedia Private Limited	322.30	-
Nodwin Gaming Private Limited	769.63	-
	-	-
Additional cost of investment on account of group share based payment		
Nextwave Multimedia Private Limited (Refer note 33 (d) (ii))	41.13	
Advance given		
Nazara Pro Gaming Private Limited	0.00*	-
Recovery of expenses on employee stock option scheme from subsidiary		
Nazara Technologies FZ LLC	28.11	8.93
Contribution from shareholder on account of share based payments (refer note 33 (d) (i))		
West Bridge Venture II Investment Holdings	357.18	-
IPO expenses recoverable (refer note 1 below)		
West Bridge Venture II Investment Holdings	33.00	-
Mitter Infotech LLP	2.20	-

On 2nd August, 2016, Nazara Europe Limited has been dissolved. Nazara Europe Limited has remitted Rs 0.63 million to the Company.

C) Amounts outstanding as at the balance sheet date:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance payables at year end			
Vikash Mittersain	-	0.14	-
Nitish Mittersain	0.42	6.00	10.00
Mastermind Sports Limited	2.07	-	-
Advance given			
Nazara Pro Gaming Private Limited	0.00*	-	-
Amount recoverable from subsidiary company			
Nazara Technologies FZ LLC	37.04	8.93	-
IPO expenses recoverable (refer note 1 below)			
West Bridge Venture II Investment Holdings	33.00	-	-
Mitter Infotech LLP	2.20	-	-

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

D) Compensation of Key management personnel

	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	53.19	66.17
Post- employment benefits (refer note 2 below)	3.32	3.31
Share based payment transactions	60.24	19.14
Exceptional employee benefit expense (refer note 33 (d))	357.18	-
Total remuneration	**473.93**	**88.62**

Notes:

1) Other receivables comprises share issue expenses incurred in connection with proposed Initial Public offer (IPO) of the Company. As per understanding between the Company, West Bridge Venture II Investment Holdings and Mitter Infotech LLP, all the IPO expenses other than fees related to merchant bankers will be shared between them, while the merchant bankers' fees will be borne by West Bridge Venture II Investment Holdings and Mitter Infotech LLP.

   Accordingly, the Company has charged its share of IPO expenses to the statement of profit and loss and share of IPO expenses to be recovered from West Bridge Venture II Investment Holdings and Mitter Infotech LLP has been classified as Other receivables under Other Current Financial Assets.

2) Remuneration to key managerial personnel doesn't include provision made for gratuity and compensated absences as they are determine on acturial basis for the Company

3) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operations. outstanding balances at the year-end are unsecured and settlement occurs in cash.

   * Amount is less than 0.01 million

28 Capital and others commitments

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	2.80	14.30
Other commitments			
Cost of content and other commitments	23.18	55.29	98.64

29 Leases

Operating leases - Company as lesee

The Company's significant leasing arrangements are in respect of operating leases for office premises. The initial tenure of the lease are 36 months with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into lease. Leases include a clause to enable upward revision of the rental charge on an annual basis according to rate prescribed in the contract.

The future minimum lease rental receivable under non-cancellable operating leases in aggregate are as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Lease payment recognised in the statement of profit and loss	-	1.25	20.27
	-	**1.25**	**20.27**

30 Earnings per share

The following table reflects the income and share data used in the basic and diluted ESP computation:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic		
(Loss) / profit for the calculation of basic EPS	(104.07)	92.42
Weighted average number of equity shares in calculating basic EPS (refer note below)	2,53,40,961	2,48,65,575
Earnings per share	**(4.11)**	**3.72**
Diluted		
(Loss) / profit for calculation of diluted EPS	(104.07)	92.42
Weighted average number of equity shares in calculating basic EPS	2,53,40,961	2,48,65,575
Effect of dilution on stock option granted (refer note 3 below)	-	9,33,261
Weighted average number of equity shares outstanding (including dilutive)	2,53,40,961	2,57,98,836
Earnings per share	**(4.11)**	**3.58**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Notes

1) On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of Rs 10/- each into 2.5 fully paid up equity share having face value of Rs 4/- each.
2) 2) On 28 December 2017, the shareholders also approved the issuance of bonus shares in the ratio of 4:1 (4 bonus shares for every 1 equity share held). However, the Company allotted bonus shares to existing shareholders on 4th January, 2018 by capitalised of reserves
3) 3) There are 541,880 potential equity shares as on 31st March, 2018, in the form of stock options granted to employees. As these are anti dilutive, the diluted earnings per share is same as basic earnings per share.

31 Gratuity and post employment benefits

I) Defined Contribution plan

(a) Provident fund and ESIC

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Company's contribution to provident fund and other funds charged to P&L	8.57	9.39	8.26

II) Defined benefit plan

(a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. This benefit is unfunded.

The following tables summarise the components of net gratuity benefit expense recognised in the statement of profit and loss and other comprehensive income.

A Balance Sheet

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Liability at the beginning of the year	**10.09**	**8.79**	**5.63**
Interest cost	0.68	0.69	0.45
Current service cost	1.23	1.75	0.80
Past service cost	2.93	-	-
Benefits paid	(0.67)	(0.13)	(0.18)
Re-measurements - Actuarial (Gain) / Loss - due to changes in demographic assumptions	-	-	(0.03)
Re-measurements - Actuarial (Gain) / Loss - due to changes Financial assumptions	(0.50)	0.44	0.11
Re-measurements - Actuarial (Gain) / Loss - due to changes experience adjustment	0.27	(1.45)	2.00
Liability at the end of the year	**14.03**	**10.09**	**8.79**

ii) **Balance sheet recociliation**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening net liability	**10.09**	**8.79**	**5.63**
Expense recognized in statement of P&L	4.84	2.44	1.25
Expense recognized in OCI	(0.23)	(1.01)	2.08
Benefit paid directly by the employer	(0.67)	(0.13)	(0.18)
Amounts recognized in the balance sheet	**14.03**	**10.09**	**8.79**

B Statement of profit & loss

i) Expense recognised in statement of profit or loss

	For the period ended March 31, 2018	For the period ended March 31, 2017
Current service cost	1.23	1.75
Past service cost	2.93	-
Net interest cost	0.68	0.69
Expenses recognized in profit or loss	**4.84**	**2.44**

ii) Expense recognised in other comprehensive income

	For the period ended March 31, 2018	For the period ended March 31, 2017
Remeasurements actuarial (gain) / loss	(0.23)	(1.01)
Net (income) / expense	**(0.23)**	**(1.01)**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

C The principal assumptions used in determining gratuity obligations are shown below:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Discount rate	7.50%	6.77%	7.72%
Future salary increases	10.00%	10.00%	10.00%
Salary increase frequency			
Weighted average duration of the projected benefit obligation	6 years	6 years	6 years
Rate of employee turnover	15%	15%	15%
Mortality rate during employment	Indian Assured lives Mortality (2006-08)		
Mortality rate after employment	NA		

D A quantitative sensitivity analysis for significant assumption as at balance sheet date are as shown below:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Discount rate (- 1%)	0.69	0.52	0.46
Discount rate (+ 1%)	(0.62)	(0.47)	(0.41)
Salary escalation Rate (- 1%)	(0.43)	(0.28)	(0.26)
Salary escalation Rate (+ 1%)	0.45	0.29	0.27
Employee turnover (- 1%)	0.03	0.02	0.02
Employee turnover (+ 1%)	(0.03)	(0.02)	(0.02)

Methods and assumptions used in preparing sensitivity and their limitations: The liability was projected by changing certain assumptions and the total liability post the change in such assumptions have been captured in the table above. This sensitivities are based on change in one single assumption, other assumptions being constant. In practice, scenario may involve change in several assumptions where the stressed defined benefit obligation may be significantly impacted.

E Maturity analysis of projected benefit obligation

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
1st following year	1.80	1.38	1.11
2nd following year	2.78	1.28	1.15
3rd following year	1.68	1.78	1.08
4th following year	1.57	1.11	1.51
5th following year	1.47	1.02	0.97
Sum of years to 6 to 10	5.54	3.84	3.64

32 Income taxes

A Income tax expense in the statement of profit and loss consists of:

	For the period ended March 31, 2018	For the period ended March 31, 2017
Current income tax:		
Income tax (current year)	79.52	41.41
Income tax (earlier years)	-	-
Deferred tax (credit)	(13.36)	(0.96)
Income tax expense reported in the statement of profit or loss	**66.16**	**40.45**
Income tax recognised in other comprehensive income		
- Deferred tax expense arising on income and expense recognised in other comprehensive income	(0.07)	0.96
Total	**66.09**	**41.41**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

B The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

	For the period ended March 31, 2018	For the period ended March 31, 2017
Profit before tax	(37.91)	132.89
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	(13.12)	45.99
Effect of:		
Income not considered for tax purpose	(1.67)	(1.53)
Expenses not allowed for tax purpose	134.53	1.46
other factor	7.22	
Exceptional items		
Differential tax impact of dividend from subsidiary	(52.35)	-
Impact of capital gain on sale of investments	(0.61)	(9.56)
Other permanent differences	-	0.38
Income taxed at special rate	(7.83)	
Difference in effective tax rate applied for DTA calculation		-
Item on which DTA not created in last year	-	3.70
Income tax expense reported in the statement of profit or loss	**66.16**	**40.44**

C Deferred tax relates to the following: Balance sheet

	Balance sheet		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	2.74	1.57	1.03
Others		-	-
Provision for doubtful debts	28.81	10.85	-
Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	4.95	5.37	5.76
Impact of revenue offered to tax but recorded in the statement of profit and loss in the subsequent year	(10.84)	1.63	7.57
Other items giving rise to temporary differences		(7.18)	(2.12)
Net deferred tax assets / (liabilities)	**25.66**	**12.25**	**12.25**

D Movement of deferred tax asset (net):

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening balance as of 1 April	12.25	12.25	8.13
Tax income/(expense) during the year recognised in profit or loss	13.36	0.96	3.50
Tax income/(expense) during the year recognised in OCI	0.05	(0.96)	0.61
Net deferred tax assets / (liabilities)	**25.66**	**12.25**	**12.24**

E Deferred tax relates to the following: Statement of profit or loss

	Statement of profit & loss	
	For the year ended March 31 2018	For the year ended March 31 2017
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	1.17	0.54
Others		-
Provision for doubtful debts	17.96	10.85
Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	0.15	(0.39)
Impact of revenue offered to tax but recorded in the statement of profit and loss in the subsequent year	(1.63)	
Other items giving rise to temporary differences	(4.29)	(10.03)
Net deferred tax assets / (liabilities)	**13.36**	**0.96**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

33 Share based payments

(a) During the period ended 31st March, 2018 and year ended 31st March, 2017, ESOP 2016 scheme was in operation while during the year ended 31st March 2016, ESOP 2005 scheme was in operation.

Under the ESOP 2005, share options of the Company are granted to Mr Nitish Mittersain , CEO of the Company share options vest if within four years from the date of grant.

Under the ESOP 2016, share options of the Company are granted to senior executives of the Company and its subsidiary employees with more than 12 months of service. The share options vest if within one years from the date of grant, the senior executive remains employed on such date. The Company has cross charged the expense at fair value to the Subsidiary in respect of the ESOPS granted to the employee of subsidiary.

The fair value of the share options is estimated at the grant date using black scholes pricing model, taking into account the terms and conditions upon which the share options were granted.

The contractual term of each option granted (comprising the vesting period and the exercise period) is six years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

(b) The Company has provided the following equity settled share-based payment schemes to its senior management. The details of the ESOP schemes are as follows:

ESOP 2005

Details of ESOP 2005 are as follows:

Particulars	
Date of grant	17th September, 2005
Date of board approval	17th September, 2005
Number of options granted	108,537 to Mr. Nitish Mittersain
Method of settlement	Equity
Vesting period	Four years
Exercise period	Open ended
Vesting conditions	50% vesting after 2 years and balance 50% vesting equally over remaining 2 years
Exercise price	Rs 78

The details of activities under the scheme 2005 are summerised below:

Particulars	March 31, 2017	April 1, 2016
	Number of options	Number of options
Outstanding at the beginning of the year	1,08,537	1,08,537
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Cancelled during the year (refer note below)	1,08,537	-
Outstanding at the end of the year	-	1,08,537
Exercisable at the end of the year	-	1,08,537
Weighted average remaining contractual life (in years)	0 Years	0 Years

Pursuant to the board resolution passed on 24th November, 2016, 108,537 stock options granted to Mr. Nitish Mittersain has been rescinded, in lieu of which, on 23 November, 2017, West Bridge Investment II LLC, the parent company has transferred 107,242 equity shares held by it in the Company to Mr. Nitish Mittersain for no consideration.

ESOP 2016

Details of ESOP 2016 are as follows:

Particulars	
Date of grant	2nd January, 2017
Date of board approval	24th November, 2016
Date of member approval	26th December, 2016
Number of options granted	59,411 to eligible employees of the Company and subsidiary company
Method of settlement	Equity
Vesting period	One year
Exercise period	Five years
Vesting conditions	100% vesting after one year
Exercise price	Rs 2,929

Each option entitled 1 equity share of Rs.10 each to eligible employee of the Company and subsidiary.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

The details of activity under the scheme 2016 are summerised below:

Particulars	March 31, 2018	March 31, 2017
	Number of options	Number of options
Outstanding at the beginning of the year	59,411	-
Granted during the year	-	59,411
Adjustment for bonus and subdivision of shares (refer note (i) below)	6,83,227	
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	7,42,638	59,411
Exercisable at the end of the year	7,42,638	-
Weighted average remaining contractual life (in years)	4.75 years	5.75 years

(i) On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of ` 10/- each into 2.5 fully paid up equity share having face value of ` 4/- each and issuance of bonus shares in the ratio of 4:1 with record date of 4th January 2018. Pursuant to this, the board of directors approved adjustment to exercise price and number of options to all outstanding stock options.

Accordingly, the outstanding 59,411 employee stock options convertible into equity shares of ` 10 each were converted into 742,638 employee stock options convertible into 1 equity share of ` 4 each and exercise price got revised from ` 2929 per share to ` 234.32 per share.

(ii) There were no cancellations or modifications to the rewards during the year ended 31st March, 2018 and 31st March, 2017

ESOP 2017

Details of ESOP 2017 are as follows:

Particulars	
Date of grant	17th January, 2018
Date of board approval	11th December, 2017
Date of member approval	15th December, 2017
Number of options granted	562,733 to eligible employees of the subsidiary company
Method of settlement	Equity
Vesting period	One year
Exercise period	Five years
Vesting conditions	100% vesting after one year
Exercise price	Rs 282.91

Each option entitled 1 equity share of Rs.4 each to eligible employee of the Company and subsidiary.

The details of activity under the scheme 2017 are summerised below:

Particulars	March 31, 2018	March 31, 2017
	Number of options	Number of options
Outstanding at the beginning of the year	-	-
Granted during the year	5,62,733	-
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	5,62,733	-
Exercisable at the end of the year	-	-
Weighted average remaining contractual life (in years)	5.75 years	-

(c) **The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:**

	ESOP 2017	ESOP 2016	ESOP 2005
Dividend yield (%)	0.00%	0.00%	No Options Granted during the year
Expected volatility (%)	23.04%	25.00%	
Risk free interest rate (%)	7.16%	6.27%	
Spot price (Rs)	563.03	4,524.33	
Exercise Price (Rs)	282.91	2,928.75	
Expected life of options granted (years)	3.5 years	3.5 years	
Model used	Black Scholes	Black Scholes	

The expected life of the share options are based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatality reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

(d) **The expense recognised for employee service received during the year is shown in the following table:**

	For the period ended March 31, 2018	For the period ended March 31, 2017
Expense arising from equity-settled share based payment transactions	88.35	28.07
	88.35	**28.07**
Amount recoverable from subsidiary company as at the year end:		
Amount recoverable from subsidiary company on account of Share based payment (Nazara Technologies FZ LLC)	37.04	-
	37.04	**-**
Value of investment in subsidiary as at the year end:		
Investment in subsidiary on account of Group Share based payment (Nextwave Mulimedia Private Limited)	41.13	-
	41.13	**-**
Capital contribution from a shareholder on account of share based payments		
Share based payment on account of transfer of shares by a shareholder (refer note (i) below)	357.18	-
	357.18	**-**
Weighted average Share price for options exercised during the year		
	ESOP 2017	**ESOP 2016**
Weighted average share price	563.03	4,524.33

Notes:

(i) During the year ended 31 March, 2018, West Bridge transferred from its shareholding in the Company, 20,519 equity shares to Mr. Nitish Mittersain and 31,748 equity shares to Mr. Manish Agarwal, without consideration, in recognition of their contribution made towards the growth of the Company and preparing the Company for an IPO. In accordance with Ind AS 102 "Share based payments", the Company has recorded in the financial statements for the year ended 31 March, 2018, exceptional employee benefit expense of Rs 357.18 million represented by the fair value of the shares transferred by West Bridge, with a corresponding credit to equity as contribution from shareholder.

(ii) During the year ended March 31 , 2018 , the Company granted 562,733 stock options under ESOP Scheme 2017 to the KMP's of its subsidiary Nextwave Multimedia Private Limited. In accordance with Ind AS 102 "Share based Payments" the Company has added Rs 41.13 million represented by the proportionate fair value of the transfer to the cost of Investment in Nextwave Multimedia Private Limited with corresponding credit to share based payment reserve

34 Segment information

The company presents standalone Ind AS financial statements along with the consolidated Ind AS financial statements. In accordance with Ind AS 108, segment reporting, the company has disclosed the segment information in the consolidated financial statements.

35 Financial assets and financial liabilities

Financial assets at fair value

	Carrying value			Fair value		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments in mutual funds	776.13	652.76	504.43	776.13	652.76	504.43
Investments in tax free bonds	60.99	62.30	56.22	60.99	62.30	56.22
Investment in Halaplay Technologies Private Limited	4.01	-	-	4.01	-	-
Investment in Moonglab Technologies Private Limited	5.00	-	-	5.00	-	-
Total	**846.13**	**715.06**	**560.65**	**846.13**	**715.06**	**560.65**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Financial assets and liabilities at amortised cost

	Carrying value			Amortised cost		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets - non-current						
Security deposits	13.67	14.12	12.06	13.67	14.12	12.06
Fixed deposits with bank and interest accured	1.79	1.68	1.57	1.79	1.68	1.57
Financial assets - Current						
Trade receivable	223.51	116.16	183.94	223.51	116.16	183.94
Cash and cash equivalents	25.46	78.08	102.44	25.46	78.08	102.44
Other bank balances	-	1.50	-	-	1.50	-
Investments in debentures	-	10.00	-	-	10.77	-
Security deposits	1.50	0.69	1.74	1.50	0.69	1.74
Loan to employees	0.32	0.58	-	0.32	0.58	-
Other financial assets	126.36	55.30	88.75	126.36	55.30	88.75
Total assets	**392.61**	**278.11**	**390.50**	**392.60**	**278.87**	**390.50**
Financial liabilities						
Trade and other payables	153.14	97.44	166.37	153.14	97.44	166.37
Other financial liabilities	25.24	27.46	20.05	25.24	27.46	20.05
Total liabilities	**178.38**	**124.90**	**186.42**	**178.38**	**124.90**	**186.42**

Notes:

1) The financial assets above do not include investments in subsidiaries which are measured at cost in accordance with Ind AS 101, Ind AS 27 and Ind AS 28

2) The management assessed that fair values of cash and cash equivalents, trade receivables, short term borrowings, trade payables, Interest accrued on bank deposits with banks, other current financial assets, other bank balances and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. Their fair values of the remaining FVTPL financial asset are derived from quoted marker price in active markets

3) The fair values of security deposits and other financial assets and liabilities are considered to be the same as their carrying values, as there is an immaterial change in the lending rates.

36 Fair value hierarchy for assets and liabilities

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

i) Level 1

Quoted (unadjusted) prices in active markets for identical assets or liabilities.

ii) Level 2

Other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly.

iii) Level 3

Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

I The carrying amount and fair value measurement hierarchy for assets as at March 31, 2018 is as follow

	Carrying Value	Fair Value	Date of valuation	Fair value measurement using			
				Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
				Level 1	Level 2	Level 3	
Investments in mutual funds	776.13	776.13	March 31, 2018	776.13	-	-	776.13
Investments in tax free bonds	60.99	60.99	March 31, 2018	60.99	-	-	60.99
Investment in Halaplay Technologies Private Limited	4.01	4.01	March 31, 2018	-	-	4.01	4.01
Investment in Moonglab Technologies Private Limited	5.00	5.00	March 31, 2018	-	-	5.00	5.00
Total	**846.13**	**846.13**		**837.12**	**-**	**9.01**	**846.13**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

II The carrying amount and fair value measurement hierarchy for assets as at March 31, 2017:

	Carrying Value	Fair Value	Date of valuation	Fair value measurement using			
				Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
				Level 1	Level 2	Level 3	
Investments in mutual funds	652.76	652.76	March 31, 2017	652.76	-	-	652.76
Investments in tax free bonds	62.30	62.30	March 31, 2017	62.30	-	-	62.30
Total	**715.06**	**715.06**		**715.06**	**-**	**-**	**715.06**

III Assets measured at amortized cost

	Date of valuation	Asset measured at amortised cost for which fair value is disclosed			
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
		Level 1	Level 2	Level 3	
Investments in debentures	March 31, 2018	-	-	-	-
Investments in debentures	March 31, 2017	10.77	-	-	10.77

There have been no transfer between Level 1, 2 and 3 during the period 31 March, 2018 and 31 March, 2017.

Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about significant unobservable inputs used in level 3 fair value measurement:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
	March 31, 2018			
Investment in Halaplay Technologies Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years.	7.29% - 8.03%	A 36 bps decrease in growth rate with a 49 bps increase in discount rate would reduce the Fair Value by Rs 8.3 million; and an increase in growth rate by 38 bps with a decrease in discount rate by 48 bps would increase the fair value by Rs 9.6 million.
		WACC	19.19% - 20.16%	
Investment in Moonglab Technologies Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years.	4.5% - 5.5%	A 50 bps decrease in growth rate with a 50 bps increase in discount rate would reduce the Fair Value by Rs. 1.77 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 50 bps would increase the fair value by Rs. 2.02 million
		WACC	19.50% - 20.50%	

37 Financial risk management objectives and policies

The Company’s principal financial liabilities include trade and other payables. The main purpose of these financial liabilities is to finance the Company’s operations and to provide guarantees to support its operations. The Company’s principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company’s senior management oversees the management of these risks. The Company’s senior management ensures that the Company’s financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company’s policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTOCI investments.

The sensitivity analyses in the following sections relate to the position as at 31st March, 2018 and 31 March, 2017.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2018 and 31st March, 2017

Equity price risk

The Company's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Company's Board of Directors review and approve all equity investments. At the reporting date, the exposure to unlisted equity securities at fair value and sensitivity analysis of these investments have been provided in Note 35

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries.

The Company did not enter into any derivative instruments for hedge or speculation. The year end foreign currency exposures are given below:

i) Amounts receivable in foreign currency on account of the following:

Currency	Particulars	As at March 31, 2018		As at March 31, 2017	
		Amt in FC	Amt in INR	Amt in FC	Amt in INR
USD	Cash and bank balances	19,508	1.27	5,35,261	34.66
AED	Cash and bank balances	2,790	0.05	-	-
USD	Trade receivable	6,24,765	40.56	2,27,293	14.72
IRR	Trade receivable	91,33,34,27,775	109.60	-	
USD	Other current assets	7,71,207	50.07	2,08,828	13.52
AED	Other current assets	20,94,970	37.04	5,06,899	8.93
IRR	Other current assets	15,66,42,60,750	17.23	-	-
			255.82		**71.83**

ii) Amounts payable in foreign currency on account of the following:

Currency	Particulars	As at March 31, 2018		As at March 31, 2017	
		Amt in FC	Amt in INR	Amt in FC	Amt in INR
USD	Trade payables	8,32,741	54.06	6,48,632	42.00

Foreign currency sensitivity

5% increase or decrease in foreign exchange rates will have the following impact on profit before tax

	As at March 31, 2018		As at March 31, 2017	
	5% increase	5% decrease	5% increase	5% decrease
USD	1.89	(1.89)	1.04	(1.04)
AED	1.85	(1.85)	0.45	0.45
IRR	6.34	(6.34)	-	-

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account factors such as default risk of industry, historical experience for customers etc. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

At 31st March, 2018 and 31st March, 2017 receivables (including unbilled) from Company's top 5 customers accounted for approximately 75.37% and 77.39%, respectively of all the receivables (including unbilled) outstanding. As at 31st March, 2018 receivable (including unbilled) from one top customer accounted for 39.99% of all receivable (including unbilled) outstanding. An impairment analysis is performed at each reporting date on an individual basis based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 35. The Company does not hold collateral as security.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

The Company evaluates that there exists concentration of risk with respect to trade receivables due to its dependency on limited numbers of customers for a significant portion of receivables outstanding.

The inability to recover the amount payable by such top customers may have an adverse impact on revenue from the subscription business and thereby on revenue from operations.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2018 and 31st March, 2017 is the carrying amounts as illustrated in note 35.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations as they fall due. The company's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid mutual funds to meet the Company's operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. The Company has access to a sufficient variety of sources of funding maturing within 12 months can be rolled over with existing lenders.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2018	On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	-	153.14	-	-	153.14
Other financial liabilities	-	25.24	-	-	25.24
Total	**-**	**178.38**	**-**	**-**	**178.38**

As at March 31, 2017	On Demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	-	97.44	-	-	97.44
Other financial liabilities	-	27.46	-	-	27.46
Total	**-**	**124.90**	**-**	**-**	**124.90**

38 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary purpose is to maximise the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The capital structure is governed by policies approved by Board of Directors and is monitored by various matrices, funding requirements are reviewed periodically.

39 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors. The Company has not received any instruction from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures if any, relating to amounts unpaid as at the year end together with interest payable as required under the said Act have not been given.

40 First time adoption of Ind AS

These financial statements for the year ended 31 March, 2018 are the first Ind-AS financial statements that the Company has prepared in accordance with Ind-AS. For periods up to and including the year ended 31st March, 2017 the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company has prepared financial statements which comply with Ind-AS applicable for periods ended on 31 March, 2018 together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April, 2016 the Company's date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April, 2016 and the financial statements as at and for the year ended March 31, 2017.

Optional exemptions availed and mandatory exceptions

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

A. Optional exemptions availed

1. Investment in Subsidiaries, associates

Ind AS 101 permits a first time adopter to measure it's investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be it's fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date.

The Company has elected to measure its investment in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the transition date.

2. Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangement) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

3. Share-based payment transactions exemption

Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before March 31, 2016.

4. Optionally Convertible Participating Preference Shares exemption

The Company has issued convertible redeemable preference shares. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS,convertible preference shares are separated into liability and equity components based on the terms of the contract. However, in accordance with this exemptions under para D18 of Ind AS 101, a first-time adopter need not separate these two portions if the liability component is no longer outstanding at the date of transition to Ind AS. As on transition date, redeemable preference shares are redeemed and liability component is no longer outstanding.

B. Mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

2. Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or the after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to IND AS.

Reconciliations between Previous GAAP and Ind AS

A Equity reconciliation

Particulars	Note	As at March 31, 2017	As at April 1, 2016
Equity under previous GAAP		853.63	752.65
Impact on account of :			
Fair value of financial instruments	1	68.73	32.51
Amount recoverable from subsidiary	2	3.41	-
Deferred taxes	4	(7.18)	(2.12)
Equity under Ind AS		**918.59**	**783.04**

B Comprehensive income reconciliation

Particulars	Note	As at March 31, 2017
Profit for the year under previous GAAP		78.13
Impact on account of :		
Fair value of financial instruments	1	30.13
Expenses on employee stock option scheme	2	(10.73)
Acturial loss on employee defined benefit plans	3	(1.01)
Deferred taxes	4	(4.10)
Net profit attributable to equity shareholders of the Company under Ind AS		**92.42**
Other comprehensive income, net of tax		6.13
Total comprehensive income attributable to Equity shareholders of the company under Ind AS		**98.55**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Note 1: FVTPL and FVOCI financial assets

Under the previous GAAP, investments in mutual funds and tax free bonds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The Company has designated investment in mutual funds as FVTPL instruments and investments in tax free bonds as FVTOCI instruments. The net fair value gain to the extent of Rs 30.13 million have been recognised in other income during the year ended 31 March, 2017.

Under Ind AS, investments are required to be measured at fair value. The value of these investments in mutual funds and tax free bonds have been increased to reflect the cumulative fair value changes to the extent of Rs 68.73 million as at 31 March, 2017 (1 April, 2016: Rs 32.51 million).

Note 2: Employee stock option scheme (ESOP)

Under Indian GAAP, the company recognised ESOP to employees based on intrinsic value under employee benefits expense as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period, the company has opted for the Black Scholes Model. An additional expense of Rs 10.73 million has been recognised in profit or loss for the year ended 31 March, 2017. Additional charge on account of such adjustments amounting to Rs 3.41 million incurred on behalf of Nazara Technologies FZ LLC (ESOP issued to employee of subsidiary) is treated as amount recoverable from subsidiary.

Note 3: Defined benefit liabilities

Under Ind AS, remeasurements comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Under previous GAAP the actuarial gains and losses, are charged to profit or loss. The actuarial gains / (losses) recognised in OCI for the year ended 31 March, 2017 are Rs 1.01 million.

Note 4: Deferred tax

Deferred tax adjustment includes tax impact on account of differences between Ind-AS and previous GAAP.

Note 5: Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Note 6: Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

41 Events after the reporting period

i On 10th May 2018, the Company has allotted 499,350 equity shares pursuant to exercise of ESOPs by employees of the Company, issued under ESOP 2016 Scheme.

ii On 11th May 2018, the Company has entered into Memorandum of Understanding with Inbox Pictures Private Limited (Inbox), a company engaged in the business of developing and marketing mobile games, especially related to word games in multiple languages, for granting a loan of Rs 3.2 millions. The loan amount can be converted into fixed number of fully paid up equity shares of Inbox at the option of the Company, within 12 months of signing of the MoU, which will represent 10% of the diluted capital of Inbox.

iii On 11th May 2018, the Company has invested Rs 0.04 millions in cash for acquiring equity stake 70% of the share capital of NZWorld Kenya Limited, a company engaged in the business of gaming and betting in Kenya.

iv On 6th June 2018, the Company invested Rs 16.5 million for 33.89% in Jatia Education Private Limited in one or more tranches, on a fully diluted basis. Jatia Education Private Limited is engaged in developing and marketing mobile games, especially related to quiz games.

v On 11th July 2018, the Company has agreed to invest Rs.10 million for a 8.67% stake in Instasportz Consultancy Private Limited (Instasportz) pursuant to Agreement dated 11th July ,2018. Instasportz is engaged in the business of running sports and virtual reality entertainment zones across India and abroad.

42 Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard which the company intends to adopt, when they become effective.

Ind AS 115 revenue from contracts with customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company is in the process of evaluating the impact related to Ind AS 115, recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary Including the available transition methods.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Govind Ahuja
Partner
Membership no: 048966

Place of Signature: Mumbai
Date : 11th July, 2018

For and on behalf of the Board of directors of Nazara Technologies Limited
(Formerly known as Nazara Technologies Private Limited)

Vikash Mittersain
Chairman Cum
Managing Director
DIN-00156740

Nitish Mittersain
Managing Director
DIN-02347434

Manish Agarwal
Chief Executive Officer

Rakesh Shah
Chief Financial Officer

Vinav Agarwal
Company Secretary

Place of Signature: Mumbai
Date : 11th July, 2018

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Nazara Technologies Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Nazara Technologies Limited (formerly known as Nazara Technologies Private Limited) (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associate as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 10 subsidiaries, whose financial statements include total assets of Rs 2,716.69 million and net assets of Rs. 2,041.73 million as at March 31, 2018, and total revenues of Rs 1,220.28 million and net cash outflows of Rs 135.36 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 0.63 million for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of one associate whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

    Certain of these subsidiaries and the associate are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:

    i. The Group and its associate does not have any pending litigations as at March 31, 2018 which would impact its consolidated financial position;

    ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2018.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Govind Ahuja**
Partner
Membership Number: 048966

Place of Signature: Mumbai

Date: July 11, 2018

Annexure 1 to the to the independent auditor's report of even date on the consolidated Ind AS financial statements of Nazara Technologies Private Limited ('the Company')

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our report of the consolidated Ind AS financial statement of Nazara Technologies Limited (formerly known as Nazara Technologies Private Limited) as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Nazara Technologies Limited ("hereinafter referred to as the "Holding Company") and its subsidiaries, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Director of the Holding Company and its subsidiaries, which are incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiaries, which are incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to its two subsidiaries, which are companies incorporated in India, is based on the corresponding report of the auditor of the subsidiaries incorporated in India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountantsp
ICAI Firm Registration Number: 101049W/E300004

per **Govind Ahuja**
Partner
Membership Number: 048966

Place of Signature: Mumbai

Date: July 11, 2018

Consolidated balance sheet as at 31st March, 2018

(Rupees in million, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets				
Non-current assets				
Property, plant and equipment	3	16.47	10.26	15.17
Goodwill on consolidation		574.73	-	-
Other Intangible assets	4	672.18	8.05	4.54
Intangible assets under development	4	6.13	1.40	3.60
Investment in associate	43	22.10	-	-
Financial assets				
Investments	5	115.85	41.54	27.57
Loans and deposits	6	16.05	14.70	12.83
Other financial assets	7	1.79	1.68	1.57
Deferred tax assets	33	63.62	40.68	17.42
Other non-current assets	8	303.24	46.59	32.45
		1,792.16	**164.90**	**115.15**
Current assets				
Financial assets				
Investments	5	867.56	725.05	560.65
Trade receivable	9	430.96	259.50	334.42
Cash and cash equivalents	10	885.85	648.37	694.35
Other bank balances	10	289.08	489.94	69.08
Loans and deposits	6	1.82	1.27	2.25
Other financial assets	11	381.46	331.27	225.30
Other current assets	12	97.11	33.05	32.97
		2,953.84	**2,488.45**	**1,919.02**
TOTAL ASSETS		**4,746.00**	**2,653.35**	**2,034.17**
EQUITY & LIABILITIES				
Equity				
Equity share capital	13	107.89	19.89	19.89
Other equity	14	3,454.21	2,214.84	1,602.07
		3,562.10	**2,234.73**	**1,621.96**
Non-controlling interest		420.16	-	-
		3,982.26	**2,234.73**	**1,621.96**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	15	0.20	-	-
Other financial liabilities	16	129.86	-	-
Deferred tax liabilities	33	180.83	-	-
Provisions	17	20.48	13.05	11.68
		331.37	**13.05**	**11.68**
Current liabilities				
Financial liabilities				
Trade payables	18	287.85	240.17	261.65
Other financial liabilities	19	32.82	33.38	20.77
Other current liabilities	20	83.58	124.69	115.32
Provisions	17	2.78	3.70	1.71
Current tax liabilities (Net)		25.34	3.63	1.08
		432.37	**405.57**	**400.53**
TOTAL EQUITY & LIABILITIES		**4,746.00**	**2,653.35**	**2,034.17**
Summary of Significant Accounting Policies	2.1			

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

For and on behalf of the Board of directors of Nazara Technologies Limited
(Formerly known as Nazara Technologies Private Limited)

per Govind Ahuja
Partner
Membership no: 048966

Vikash Mittersain
Chairman Cum
Managing Director
DIN-00156740

Nitish Mittersain
Managing Director
DIN-02347434

Manish Agarwal
Chief Executive Officer

Rakesh Shah
Chief Financial Officer

Vinav Agarwal
Company Secretary

Place of Signature: Mumbai
Date : 11th July, 2018

Place of Signature: Mumbai
Date : 11th July, 2018

Consolidated statement of profit and loss for the year ended 31st March, 2018

(Rupees in million, unless otherwise stated)

	Notes	For the year ended	
		March 31, 2018	March 31, 2017
Income			
Revenue from operations	21	1,705.47	1,901.58
Other income	22	98.15	120.89
Total income		**1,803.62**	**2,022.47**
Expenses			
Cost of content		83.39	107.32
Advertising cost		415.75	527.69
Employee benefits expense	23	371.97	253.80
Depreciation and amortisation expense	24	42.17	11.58
Finance cost	25	9.55	2.88
Other expenses	26	388.68	401.25
Total expenses		**1,311.51**	**1,304.52**
Profit before share of loss of an associate, exceptional item and tax		**492.11**	**717.95**
Share of net (loss) of associate by using equity method	42	(0.63)	-
Exceptional item (refer note 34 (d))	27	(357.18)	**-**
Profit before tax		**134.30**	**717.95**
Tax expense:			
Current tax		143.65	129.90
Adjustment of tax relating to earlier periods		2.02	1.92
Deferred tax		(23.50)	(24.21)
Total tax expenses		122.17	107.61
Profit for the year		**12.13**	**610.34**
Attributable to:			
Equity holders of the parent		27.73	610.34
Non-controlling interest		(15.60)	-
Other Comprehensive Income ('OCI')			
Item that will not be reclassified subsequently to the statement of profit and loss			
Remeasurements of post-employment benefit obligation		0.21	1.01
Income tax relating to items that will not be reclassified to profit or loss		(0.06)	(0.35)
Item that will be reclassified subsequently to the statement of profit and loss			
Net profit / (loss) on FVOCI debt instruments		(1.31)	6.08
Income tax relating to items that will be reclassified to profit or loss		0.13	(0.61)
Other comprehensive income/ (loss) for the year, net of tax		**(1.03)**	**6.13**
Total Comprehensive Income for the year attributable to equity shareholder		**11.10**	**616.47**
Attributable to:			
Equity holders of the parent		26.71	616.47
Non-controlling interest		(15.61)	-
Earnings per equity shares of Rs. 4 each (in Rs.)	30		
-Basic earnings per share		1.09	24.55
-Diluted earnings per share		1.08	23.66
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Govind Ahuja
Partner
Membership no: 048966

Place of Signature: Mumbai
Date : 11th July, 2018

For and on behalf of the Board of directors of Nazara Technologies Limited
(Formerly known as Nazara Technologies Private Limited)

Vikash Mittersain
Chairman Cum
Managing Director
DIN-00156740

Nitish Mittersain
Managing Director
DIN-02347434

Manish Agarwal
Chief Executive Officer

Rakesh Shah
Chief Financial Officer

Vinav Agarwal
Company Secretary

Place of Signature: Mumbai
Date : 11th July, 2018

Consolidated statement of Cash Flows for the year ended 31st March, 2018

(Rupees in million, unless otherwise stated)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Cash flow from operating activities		
Profit before tax for the year	134.30	717.95
Adjustments for :		
Fair value gain or loss on mutual fund	(27.85)	(30.18)
Expenses on employee stock option scheme	157.59	37.00
Depreciation and amortisation expense	42.16	11.58
(Gain) on write off of fixed assets	-	(0.13)
Bad debts	1.39	12.76
Provision for doubtful debts	70.89	39.36
Investment written off	-	6.70
Liabilities written back / provision no longer required	(26.59)	(7.20)
Unrealised foreign exchange loss	8.55	98.24
Net gain on sale of current investments	(5.84)	(26.13)
Interest income	(32.85)	(51.79)
Interest expense	1.29	-
Dividend income	(0.75)	(0.37)
Exceptional item (refer note 27)	357.18	-
Share of loss of an associate	0.63	-
Operating profit before working capital changes	**680.10**	**807.79**
Working capital adjustments :		
Increase / (decrease) in trade payables	37.85	(8.41)
Increase in long-term provisions	7.02	2.44
(Decrease) in long-term borrowings	(0.03)	-
(Decrease) in short-term borrowings	(41.74)	-
Increase / (decrease) in short term provisions	(0.81)	2.00
Increase / (decrease) in other current liabilities	(23.40)	21.92
(Increase) / decrease in trade receivables	(182.30)	5.41
(Increase) / decrease in loans and advances	(294.59)	0.58
(Increase) in other current assets	(68.99)	(116.53)
Cash generated from operations	113.11	715.20
Direct taxes paid (net of refunds)	(170.30)	(147.34)
Net cash flow from / (used in) operating activities (A)	**(57.19)**	**567.86**
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets under development	(17.85)	(8.13)
Proceeds on deletion of fixed assets	0.10	0.23
Purchase of non-current investments	(320.50)	(21.77)
Purchase of current investments	(560.44)	(505.07)
Proceeds from redemption/maturity of current investments	458.48	403.02
Investment in bank deposits (having original maturity of more than three months)	(557.66)	(1,454.14)
Redemption/maturity of bank deposits (having original maturity of more than three months)	763.31	997.34
Interest received on fixed deposits and bonds	39.55	43.62
Dividends received from current investments	-	0.37
Net cash flow (used in) investing activities (B)	**(195.01)**	**(544.53)**

(Rupees in million, unless otherwise stated)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Cash flow from financing activities		
Short term loan availed	300.00	
Repayment of short term loan availed	(301.29)	
Issue of equity shares	765.31	-
Share issue expenses	(5.00)	-
Dividend paid on equity shares	(300.38)	-
Net cash from financing activities (C)	**458.64**	**-**
Net increase in cash and cash equivalents (A)+(B)+(C)	**206.44**	**23.33**
Effect of exchange differences on cash & cash equivalents held in foreign currency	17.34	(69.31)
Cash and cash equivalents at the beginning of the year	648.37	694.35
Add: cash and cash equivalents pursuant to business acquisition	13.70	-
Cash and cash equivalents at the end of the year (refer note 10)	**885.85**	**648.37**
Cash and cash equivalents as per above comprises of the following		
Cash in hand	0.20	0.01
Balances with bank	881.33	603.07
Deposit with original maturity of less than 3 months	4.32	45.29
Total cash and cash equivalents (refer note 10)	**885.85**	**648.37**

The accompanying notes are an integral part of the interim financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Govind Ahuja
Partner
Membership no: 048966

Place of Signature: Mumbai
Date : 11th July, 2018

For and on behalf of the Board of directors of Nazara Technologies Limited (Formerly known as Nazara Technologies Private Limited)

Vikash Mittersain
Chairman Cum
Managing Director
DIN-00156740

Nitish Mittersain
Managing Director
DIN-02347434

Manish Agarwal
Chief Executive Officer

Rakesh Shah
Chief Financial Officer

Vinav Agarwal
Company Secretary

Place of Signature: Mumbai
Date : 11th July, 2018

Consolidated statement of changes in equity for the year ended 31st March, 2018

(Rupees in million, unless otherwise stated)

(a) Equity shares:

of Rs 10 each issued, subscribed and fully paid

	No of shares	Amount
As at April 1, 2016	19,89,246	19.89
As at March 31, 2017	19,89,246	19.89

of Rs 4 each issued, subscribed and fully paid (refer note 1 below)

	No of shares	Amount
At March 31, 2018	2,69,72,619	107.89

(b) Other equity

	Reserves & Surplus								Other Reserves			Non-controlling Interest	Total
	Capital redemption reserve	Securities premium reserve	Retained earnings	Share based payment reserve	Capital contribution from shareholder	Non-controlling interest put option	Statutory reserves	Total reserves and surplus	Debt instruments through other comprehensive Income	Foreign currency translation reserve account	Total other reserves		
As at April 1, 2016	**1.30**		**1,554.25**	**-**	**-**	**-**	**0.45**	**1,556.00**	**0.98**	**45.09**	**46.07**	**-**	**1,602.07**
Profit for the year	-		610.34				-	**610.34**	-	-	-		**610.34**
Other comprehensive income for the year	-		0.65				-	**0.65**	5.47	-	**5.47**		**6.12**
Additions during the year (net)								**-**		(40.69)	**(40.69)**		**(40.69)**
Expenses on employee stock option scheme (refer note 34 (d))	-		-	37.00	-	-	-	**37.00**	-	-	-		**37.00**
As at March 31, 2017	**1.30**	**-**	**2,165.24**	**37.00**	**-**	**-**	**0.45**	**2,203.99**	**6.45**	**4.40**	**10.85**	**-**	**2,214.84**
As at April 1, 2017	**1.30**	**-**	**2,165.24**	**37.00**	**-**	**-**	**0.45**	**2,203.99**	**6.45**	**4.40**	**10.85**	**-**	**2,214.84**
On Acquisition	-	-	-	-		(126.25)	-	**(126.25)**	-	-	-	435.77	**309.52**
Profit / (loss) for the year	-		27.73				-	**27.73**	-	-	-	(15.60)	**12.13**
Other comprehensive income for the year	-		0.15				-	**0.15**	(1.18)		**(1.18)**	(0.01)	**(1.04)**
Dividend paid (including dividend distribution tax)	-		(300.38)				-	**(300.38)**	-	-	-		**(300.38)**
Addition on issue of shares		1,191.67					-	**1,191.67**			-		**1,191.67**
Aditions during the year (net)	-		-				-	**-**	-	17.56	**17.56**		**17.56**
Share issue expenses		(5.00)						**(5.00)**					**(5.00)**
Utilised for issue of bonus shares	-		(79.70)					**(79.70)**					**(79.70)**
Expense on employee stock option scheme (refer note 34 (d))	-		-	157.59			-	**157.59**	-	-	-		**157.59**
Share based payment on account of transfer of shares by a shareholder (refer note 34 (d))					357.18	-	-	**357.18**			-		**357.18**
As at 31 March, 2018	**1.30**	**1,186.67**	**1,813.04**	**194.59**	**357.18**	**(126.25)**	**0.45**	**3,426.98**	**5.27**	**21.96**	**27.23**	**420.16**	**3,874.37**

Notes:

1) On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of Rs 10/- each into 2.5 fully paid up equity share having face value of Rs 4/- each. On 28 December 2017, the shareholders also approved the issuance of bonus shares in the ratio of 4:1 (4 bonus shares for every 1 equity share held). However, the Company alloted bonus shares to existing shareholders on 4th January, 2018 by capitalisation of reserves.

2) Capital redemption reserve

Capital redemption reserve was created on buyback of equity shares of the company in accordance with Provisions of Companies Act 2013.

3) Securities premium reserve

Securities premium reserve is used to record premium on issue of shares. The reserve is utilised in accordance with provisions of Companies Act, 2013.

4) Shared based payment reserve

The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Govind Ahuja
Partner
Membership no: 048966

Place of Signature: Mumbai
Date : 11th July, 2018

For and on behalf of the Board of directors of Nazara Technologies Limited (Formerly known as Nazara Technologies Private Limited)

Vikash Mittersain
Chairman Cum Managing Director
DIN-00156740

Nitish Mittersain
Managing Director
DIN-02347434

Manish Agarwal
Chief Executive Officer

Rakesh Shah
Chief Financial Officer

Vinav Agarwal
Company Secretary

Place of Signature: Mumbai
Date : 11th July, 2018

Notes to the financial statement for the year ended 31st March, 2018 (Rupees in million)

1. **Corporate information**

Nazara Technologies Limited ('the Company' or 'the Holding Group') was incorporated in India on 8th December, 1999 as a Private Limited Company, engaged providing subscription / download of games / other contents through consumer base in India and worldwide and digital advertising services. The Holding Company along with its subsidiary companies is hereinafter collectively referred to as the 'Group'.

On 13th December 2017, the Company has converted from Private Company to Public Company, pursuant to which the name of the Company has changed to Nazara Technologies Limited.

The consolidated financial statements ('CFS') were authorized for issue in accordance with a resolution of the directors on 11th July, 2018.

2. Basis of preparation and significant accounting policies:

2.1. Basis of preparation:

The CFS of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, notified under Section 133 of the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act"), as applicable.

These are the Group's first Ind AS consolidated financial statements. The date of transition to Ind AS is 1st April, 2016. Refer note 42 for information on how the Group adopted Ind AS.

For all periods upto and including the year ended 31st March, 2017, the Group prepared its CFS in accordance with Accounting Standards notified under the section 133 of the Companies Act,2013, read together with paragraph 7 of the Companies (Accounts) Rules , 2014 (Indian GAAP), the relevant provisions of the Companies Act, 2013 ("the 2013 Act''), as applicable. In this CFS for the year ended 31st March, 2018, the CFS for the previous year ended 31st March, 2017 and Balance Sheet as at 1st April, 2016, have been prepared and presented as per Ind AS for like-to-like comparison.

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer note 2.4 (i)). The consolidated financial statements are presented on a going concern basis and are presented in INR and all values are rounded to the nearest millions except when otherwise indicated

2.2. Basis of consolidation:

The CFS comprises the Financial Statements of the Company and its subsidiaries (hereinafter referred together as "the Group") and its associate. The CFS of the Group have been prepared in accordance with the Indian Accounting Standard on "Consolidated Financial Statements" (Ind AS 110), "Disclosure of Interest in Other Entities" (Ind AS 112), notified under Section 133 of the Companies Act, 2013. As part of its transition to Ind AS, the Group has elected to avail the exemption under Ind AS 103 for business combinations prior to the transition date, i.e. 1st April, 2016.

Subsidiaries

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Ind AS consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

List of entities consolidated:

Particulars	Country of incorporation	Ownership interest held by the Company		
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Subsidiaries				
Nazara Technologies FZ LLC	Dubai	100.00%	100.00%	100.00%
Nazara Europe Limited (Dissolved on 2nd August, 2016)	England	-	-	100.00%
Nazara Pte Ltd	Singapore	100.00%	100.00%	100.00%
Nazara Pro Gaming Private Limited (invested on 16th May, 2017)	India	100.00%	100.00%	-
Next Wave Multimedia Private Limited (invested on 22nd Dec, 2017)	India	52.38%	-	-
Nodwin Gaming Private Limited (invested on 10th January, 2018)	India	54.99%	-	-
Step-down-subsidiaries				
Nazara Technologies	Mauritius	100.00%	100.00%	100.00%
Nazara Zambia Limited	Zambia	99.98%	99.98%	99.98%
Nzmobile Nigeria Limited	Nigeria	99.90%	99.90%	99.90%
Nzmobile Kenya Limited	Kenya	99.90%	99.90%	99.90%
Nazara Uganda Limited	Uganda	99.00%	99.00%	99.00%
Nazara Bangladesh Limited	Bangladesh	100.00%	100.00%	100.00%
Associate				
Mastermind Sports Limited (invested on 22nd May, 2017)	United Kingdom	24.69%	-	-

2.3. Significant accounting, judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates or judgments are:

- Estimation of fair value of unlisted securities – (Refer Note 36)
- Estimation of useful life of property, plant and equipment and intangible asset – Refer Note 3 & 4)
- Estimation of defined benefit obligation – (Refer Note 32)

2.4. Summary of significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised in normal operating cycle or within twelve months after the reporting period or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

Notes to the financial statement for the year ended 31st March, 2018 (Rupees in million)

A liability is current when:

- It is expected to be settled in normal operating cycle or due to be settled within twelve months after the reporting period
- It is held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified period of twelve months as its operating cycle.

b) Foreign currency translation and transactions

Functional and presentation currency

The consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c) Revenue recognition

- **Income from services**

Service revenue mainly pertains to subscription / download of games / other contents and is recognized based on

subscription / download pack validity period.

Revenue from advertising services is recognised in the period in which advertisements are displayed.

Revenue from event management services is recognized in the period in which events are organized.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

The billing / collection in excess of revenue recognised is presented as deferred revenue in the balance sheet whereas unbilled revenue is recognised within other current financial assets.

- **Interest**

Interest income is recorded using the effective interest rate ('EIR') method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or over a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. Interest income is included under the head "Finance income" in the statement of profit and loss account.

- **Dividends**

Dividend income is recognised when the Group's right to receive dividend is established by the reporting date.

The right to receive dividend is generally established when shareholders approve the dividend.

d) Income taxes

Income tax expense comprises of current and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in respective tax jurisdictions where the Group operates.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle applicable for bargain purchase gains. All other acquired tax benefits realised are recognised in profit and loss.

e) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share- based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost is recognized in employee benefits expense, together with a corresponding increase in Stock Option Outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

In respect of equity settled share based payment resulting from shareholders of the group to employees, the amount equivalent to the cost recorded by the group is recorded at fair value of the shares as part of equity under Contribution from Shareholders.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

f) Retirement and other employee benefits

Retirement benefit in the form of provident fund is defined contribution scheme. The Group has no obligation, other than the contribution payable to such scheme. The Group recognises contribution payable to such schemes as an expense, when an employee renders the related service.

The Group's obligation on account of gratuity is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Group recognises the service costs comprising current service costs and net interest expense or income in the net defined benefit obligation as an expense in the statement of profit and loss.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

The Group operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Liability for gratuity as at the year-end is provided on the basis of actuarial valuation.

Remeasurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Compensated absence

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Long-term employee benefits.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

g) Non-controlling interest put option and other liabilities

Any contract with a single or multiple settlement option that contains an obligation for the Group to purchase equity in a subsidiary for cash gives rise to a financial liability for the present value of the estimated cash flow. An amount equal to the financial liability is recorded in equity on initial recognition of a put option. The financial liability is subsequently remeasured through the Consolidated Statement of Profit and loss. Where considered significant, the Group's put options are discounted to their fair value as on initial recognition. The unwinding of the interest expense is charged through the Consolidated Statement of Profit and loss over the period to exercise.

The fair value of the put options over non-controlling interest in a subsidiary company is determined by using a discounted future cash flow analysis. The Group uses its judgment to select a variety of methods and assumptions made are based on market and Group specific conditions existing at each reporting period.

h) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree if any. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed if any are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred (bargain purchase), the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

i) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following broad categories:

- Debt instruments assets at amortized cost
- Debt instruments at fair value through OCI (FVOCI)
- Debt instruments, derivatives and at fair value through profit and loss (FVTPL)

Debt instruments at amortised cost

A Debt instrument is measured at amortised cost (net of any write down for impairment) the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes) and The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised statement of profit and loss. This category generally applies to trade and other receivables

Debt instruments at fair value through OCI (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments at fair value through profit and loss (FVTPL)

FVTPL is a residual category for Group's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

All investments (except investment in subsidiary) included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss

In addition, the Group may elect to designate an instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

When the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through profit and loss and equity instruments recognised in OCI.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. It recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Notes to the financial statement for the year ended 31st March, 2018 (Rupees in million)

Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, lease obligations, and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derivative financial instruments:

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The forward contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iv. Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

j) Fair value measurement

The Group measures financial instrument such as investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability - or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Currently Group carries those instruments where in level 1 inputs of the above mentioned fair value hierarchy is used.

The Group's board Committee approves the policies for both recurring and non-recurring fair value measurement. Where seen appropriate external valuers are involved. The board committee reviews the valuation results. This includes a discussion of the major assumptions used in the valuations.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 36

k) Investment in Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equal or exceeds its interest in the associate which includes any long-term interest that, in substance, form part of the Group's net investment in the associate, the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

l) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant if the recognition criteria are met.

Capital work in progress is stated at cost net of accumulated impairment losses, if any. Capital work-in-progress comprises of expenditure incurred for construction of building.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of Property, Plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives used by the Group are different from rates prescribed under Schedule II of the Companies Act 2013. These rates are based on evaluation of useful life estimated by the management supported by internal technical evaluation. The range of useful lives of the property, plant and equipment are as follows:

Property, plant and equipment	Useful lives estimated by the management (years)
Furniture and fixtures	5 years
Computer and Printers	3 years
Office equipments	3 years
Motor Car	3 years

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

m) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

Developed Technology / Software and Non – compete acquired in a business combination are recognized at fair value at the acquisition date.

The useful lives of intangible assets are assessed as finite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Cost of internally generated intangible games are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred unless it is towards capitalized development cost.

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

The Group amortises internally generated games over period of 6 years.

n) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The impairment calculations are based on detailed budgets and forecast calculations for each of the Group’s CGUs covering a period of five years and applying a long-term growth rate to project future cash flows after the fifth year.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of operations are recognised in the statement of profit and loss.

At each reporting date if there is an indication that previously recognised impairment losses no longer exist or have decreased, the Group estimates the asset’s or CGU’s recoverable amount . A previously recognised impairment loss is reversed in the statement of profit and loss only to the extent of lower of its recoverable amount or carrying amount net of depreciation considering no impairment loss recognised in prior years only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised.

o) Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease:

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis.

p) Provisions, Contingent liabilities, Contingent assets and Commitments

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, where an inflow of economic benefits is probable.

q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period adjusted for bonus elements and share split in equity shares, if any, issued during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders after taking into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

r) Segment reporting

Ind AS 108 establishes standards, for the way that business enterprises report information about operating segments and related disclosures about products, services and geographic areas, and major customers. The Group's operations predominately relate to mobile gaming services. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographical segments.

Accordingly, information has been presented both along business segments and geographical segments. The accounting principles used in preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Business segments of the Group are primarily mobile value added services (VAS), digital advertising services (Freemium) and organising events including e-sports tournaments (E-sports business).

Geographical segmentation is based on business sourced from that geographic region and delivered from both onsite and offsite locations. Middle East comprise of Dubai & Iran and Africa includes Nigeria, Kenya, Zambia, Uganda, Mauritius the Rest of the World comprises all other places except those mentioned above and India.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Allocated expenses of segments include expenses incurred for rendering services which are categorized in relation to the associated turnover of the segment. Certain expenses which form part of significant component of total expenses, are not specifically allocable to specific segments as the underlying asset are used interchangeably. The Management believes that it is not practical to provide disclosures relating to those costs and expenses and accordingly, these expenses are separately disclosed as 'unallocated' and adjusted against total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments.

Geographical information on revenue and business segment revenue information are collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

s) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

t) Corporate Social Responsibility (CSR) Expenditure

CSR expense is recognized as it is incurred by the Group or when Group has entered into any legal or constructive obligation for incurring such an expense.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

3 Property, plant and equipment

	Property, plant and equipment					
	Computers	Office equipments	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Gross block						
As at April 01, 2016	29.08	4.06	1.56	1.71	3.57	39.98
Additions	0.43	0.63	-	2.01	-	3.07
Disposals	(0.57)	(0.50)	-	(0.61)	(3.57)	(5.25)
*Adjustments	(0.01)	(0.01)	(0.00)	(0.01)	-	(0.03)
Gross block as at March 31, 2017	**28.93**	**4.18**	**1.56**	**3.10**	**-**	**37.77**
Additions	0.97	0.43	0.05	2.67	-	4.12
Additions on acquisition of subsidiaries	26.28	8.10	3.78	1.82		39.98
Disposals	(0.01)	-	-	(0.10)		(0.11)
*Adjustments	0.00	0.00	0.00	0.01	-	0.01
Gross block as at March 31, 2018	**56.17**	**12.71**	**5.39**	**7.50**	**-**	**81.77**
Depreciation						
As at April 01, 2016	15.95	2.69	0.97	1.63	3.57	24.81
Depreciation for the year	6.12	0.88	0.24	0.66	-	7.90
Disposals	(0.54)	(0.50)	-	(0.55)	(3.57)	(5.16)
*Adjustments	(0.01)	(0.01)	(0.00)	(0.02)	-	(0.04)
Accumulated depreciation as at March 31, 2017	**21.52**	**3.06**	**1.21**	**1.72**	**-**	**27.51**
Depreciation for the year	6.24	1.12	0.25	1.19	-	8.80
Additions on acquisition of subsidiaries	18.98	5.66	3.10	1.24	-	28.98
Disposals	-	-	-	-	-	-
*Adjustments	0.00	0.00	0.00	0.01	-	0.01
Accumulated depreciation as at March 31, 2018	**46.74**	**9.84**	**4.56**	**4.16**	**-**	**65.30**
Net block						
As at April 1, 2016	**13.13**	**1.37**	**0.59**	**0.08**	**-**	**15.17**
As at March 31, 2017	**7.41**	**1.12**	**0.35**	**1.38**	**-**	**10.26**
As at March 31, 2018	**9.43**	**2.87**	**0.83**	**3.34**	**-**	**16.47**

* Represents exchange difference resulting from translation of fixed assets relating to non-integral operations

4 Intangible assets

	Other intangible assets								
	Computer software	NGDP Platform	Developed technology/ software	Non-compete	License	Customer relationship	Mygamma and Djuzz platform	Total	Intangible asset (Games) under development
Gross block									
As at April 01, 2016	16.03	-	-	-	-	-	3.64	19.67	3.60
Additions	-	7.20	-	-	-	-	-	7.20	-
Disposals	(0.02)	-	-	-	-	-	-	(0.02)	-
Transfer	-	-	-	-	-	-	-	-	(2.20)
*Adjustments	(0.00)	-	-	-	-	-	-	(0.00)	-
Gross block as at March 31, 2017	**16.01**	**7.20**	**-**	**-**	**-**	**-**	**3.64**	**26.85**	**1.40**
Additions	7.57	4.20	-	-			-	11.77	3.37
Additions on acquisition of subsidiaries	69.35	-	60.71	225.70	293.00	53.50	-	702.26	2.76
Transfer	-	-	-	-	-	-	-	-	(1.40)
Disposals	-	-	-	-	-	-	-	-	-
Gross block as at March 31, 2018	**92.93**	**11.40**	**60.71**	**225.70**	**293.00**	**53.50**	**3.64**	**740.88**	**6.13**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

	Other intangible assets								
	Computer software	NGDP Platform	Developed technology/ software	Non-compete	License	Customer relationship	Mygamma and Djuzz platform	Total	Intangible asset (Games) under development
Amortisation									
As at April 01, 2016	11.49	-					3.64	15.13	
Amortisation for the year	2.35	1.33	-	-			-	3.68	-
Disposals	(0.01)	-	-	-			-	(0.01)	-
*Adjustments	0.00	-	-	-			-	0.00	-
Accumulated amortisation as at March 31, 2017	**13.83**	**1.33**	**-**	**-**			**3.64**	**18.80**	-
Amortisation for the year	5.81	2.94	2.74	9.38	10.57	1.93	-	33.37	-
Additions on acquisition of subsidiaries	16.53	-	-	-			-	16.53	-
Disposals	-	-	-	-			-	-	-
Accumulated amortisation as at March 31, 2018	**36.17**	**4.27**	**2.74**	**9.38**	**10.57**	**1.93**	**3.64**	**68.70**	**-**
Net block									
As at April 1, 2016	**4.54**	**-**	**-**	**-**	**-**	**-**	**-**	**4.54**	3.60
As at March 31, 2017	**2.18**	**5.87**	**-**	**-**	**-**	**-**	**-**	**8.05**	**1.40**
As at March 31, 2018	**56.76**	**7.13**	**57.97**	**216.32**	**282.43**	**51.57**	**-**	**672.18**	**6.13**

* Represents exchange difference resulting from translation of fixed assets relating to non-integral operations

5 Financial assets - Non-current investments

		As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		No of shares	Amount	No of shares	Amount	No of shares	Amount
	Non-current investments						
(i)	**Investment in equity instruments (fully paid-up)**						
	Unquoted equity instruments at fair value through profit or loss						
	Hashcube Inc	24,51,546	19.72	24,51,546	26.98	24,51,546	27.57
	Convertible preference shares of USD 0.00001 each						
	Mastermind Sports Ltd	-	-	50,116	14.56	-	-
	Equity shares of USD 0.01 each						
	Unquoted equity instruments at fair value through OCI						
	Moonglab Technologies Private Limited (refer note 1 below)	2,196	5.00	-	-	-	-
	Equity shares of Rs 10 each						
	Compulsorily convertible interest free loan						
	Halaplay Technologies Private Limited	10	0.01	-	-	-	-
	Equity shares of Rs 10 each						
	Halaplay Technologies Private Limited	3,450	4.00	-	-	-	-
	0.1% cumulative compulsorily convertible preference shares of Rs 100 each						
	Afk Gaming Private Limited	2,783	5.75	-	-	-	-
	Equity shares of Rs 10 each						
	Total investment in equity instruments		**34.48**		**41.54**		**27.57**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Note:

1) On August 14, 2017, the Company had given an irredeemable loan of Rs 2.5 million to Moonglabs Technologies Pvt Limited ('Moonglabs'), a company engaged in the business of development mobile software. Further on December 26, 2017, the Company gave an additional loan of Rs 2.5 million to Moonglabs. The loan of Rs 5 million is an interest free loan which can be compulsorily converted into fixed number of equity shares i.e 2,196 equity shares at a fixed rate, at the option of the Company. As the issuer of the instrument has to compulsorily convert this loan into equity, hence this amount has been classified as investment in equity shares as per Ind AS 32 by the company.

Subsequently on April 9, 2018, this loan amount got converted into 2,196 equity shares.

(ii)	**Investments in debentures**						
	Quoted bonds at amortized cost						
	6.38% debentures in Emirates NBD	2,000.00	13.80	-	-	-	-
	5.75% debentures Tata Motor	2,000.00	14.31	-	-	-	-
	4.88% debentures Jubliant Pharma Ltd	2,000.00	13.31	-	-	-	-
	4.50% debentures GlenMark	2,000.00	13.18	-	-	-	-
	5.25% debentures JSW Steel	2,000.00	13.44	-	-	-	-
	5.30% debentures Marble II	2,000.00	13.33	-	-	-	-
	Total investment in debenture		**81.37**		**-**		**-**
	Total non-current investments		**115.85**		**41.54**		**27.57**

5 Financial assets - Current investments

		As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Number of units	**Amount**	**Number of units**	**Amount**	**Number of units**	**Amount**
	<u>**Current investments**</u>						
(i)	**Investments in mutual funds**						
	Quoted investments at FVTPL						
	SBIMF-Magnum income fund	15,77,816	66.95	17,56,450	70.91	17,56,450	62.91
	BNP paribas flexi debt fund	8,28,972	24.59	8,28,972	23.56	8,28,972	21.23
	SBI ultra short term fund	4,515	10.12	12,830	26.95	23,994	46.72
	SDFS 17 months - series 1	-	-	-	-	10,03,037	12.16
	SDFS 18 months - series XII	-	-	-	-	25,00,000	30.45
	SBI dynamic bond fund	-	-	-	-	17,51,096	31.75
	ICICI prudential gilt fund	6,70,604	40.06	6,70,604	38.02	8,48,326	42.51
	Kotak gilt investment regular growth	6,27,212	36.55	6,27,212	35.35	8,37,909	42.34
	SBI short term fund	12,10,302	24.24	12,10,302	22.88	12,10,302	20.97
	SBI corporate bond	28,58,784	79.85	28,58,784	74.92	8,50,008	20.26
	SBI debt fund series B – 33	20,00,000	23.45	20,00,000	22.03	20,00,000	20.23
	SBI regular saving fund (refer note below)	34,70,651	104.80	34,70,651	98.15	20,09,765	50.17
	Birla sunlife saving fund	-	-	-	-	-	-
	Birla sunlife saving fund	269	0.09	-	-	86,812	25.42
	ICICI prudential flexible income - regular growth	-	-	-	-	1,64,989	47.22
	IIFL cash opportunities fund	64,34,612	77.74	47,00,293	53.51	28,50,436	30.09
	Birla sun life dynamic bond fund	3,39,552	10.18	3,39,552	9.86	-	-
	Birla sun life short term opportunities fund	3,68,370	10.63	3,68,370	10.00	-	-
	BNP paribas medium term income fund	7,83,447	10.87	7,83,447	10.26	-	-
	DSP black rock income opportunities fund	3,72,250	10.65	3,72,250	10.01	-	-
	IDFC super saver income fund short term	6,41,350	22.69	6,41,350	21.40	-	-
	L&T income opportunities fund	17,22,655	34.29	17,22,655	32.16	-	-
	Reliance short term fund	8,53,280	27.86	8,53,280	26.30	-	-
	SBI treasury advantage fund	18,977	36.55	18,977	34.30	-	-
	Tata short term bond fund	3,51,136	11.34	3,51,136	10.73	-	-
	UTI short term income fund	10,75,645	22.72	10,75,645	21.45	-	-
	Aditya Birla Sun Life Corporate Bond Fund regular growth	7,99,316	10.34	-	-	-	-
	Reliance Corporate Bond Fund-Growth Plan	7,32,295	10.26	-	-	-	-
	Aditya Birla Mutual fund	1,09,408	30.44	-	-	-	-
	Aditya Birla Sunlife Cash Plus	6,91,188	69.31	-	-	-	-
	Total investment in mutual funds at fair value through profit or loss		**806.57**		**652.75**		**504.43**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

		As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
		Number of units	Amount	Number of units	Amount	Number of units	Amount
(ii)	**Investments in debentures**						
	Quoted bonds at amortised cost						
	IIFL Wealth Finance market linked debentures	-	-	100	10.00	-	-
	Total investment in debentures at cost		**-**		**10.00**		**-**
(iii)	**Investments in tax free bonds**						
	Quoted bonds at FVOCI						
	7.39% HUDCO tax free bond series IIA	7,007	7.69	7,007	7.77	7,007	7.22
	7.39% HUDCO bond tax free bond series IIA	7,529	8.31	7,529	8.22	7,529	7.54
	7.35% IRFC tax free bond series IIA	5,878	6.46	5,878	6.48	5,878	6.08
	7.35% NABARD tax free bond series IIA	5,010	5.49	5,010	5.49	5,010	5.21
	7.35% NHAI tax free bond series IIA	14,285	16.01	14,285	15.84	14,285	14.70
	7.39% NHAI tax free bond series IIA	15,419	17.03	15,419	18.50	15,419	15.47
	Total investment in tax free bonds at FVOCI		**60.99**		**62.30**		**56.22**
	Total current investments		**867.56**		**725.05**		**560.65**

Note:

Out of the above investment in mutual funds, investments having cost of Rs. 10.70 million pertaining to SBI regular saving fund has been marked as lien against the bank guarantee of the company as at March 31,2018 (March 31,2017: Nil and March 31,2016 : Nil)

6 Financial assets - loans and deposits

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Unsecured, considered good			
Security deposits	16.05	14.70	12.83
Total	**16.05**	**14.70**	**12.83**
Current			
Unsecured, considered good			
Security deposits	1.50	0.69	1.74
Loan to employees	0.32	0.58	0.51
Total	**1.82**	**1.27**	**2.25**

7 Non-current - other financial assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed deposits with original maturity of more than 12 months (refer note 1 below)	1.65	1.65	1.50
Interest receivable	0.14	0.03	0.07
Total	**1.79**	**1.68**	**1.57**

Note:

1) The fixed deposit aggregating to Rs 1.65 million (March 31, 2017: Rs 1.65 million and March 31, 2016: Rs 1.50) is under lien to bank for issuing bank guarantee as security towards the due observance and performance of the terms and conditions of agreement executed with a customer Bharat Sanchar Nigam Limited.

8 Other non-current Assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance to vendor	241.43	-	-
Prepaid expenses	3.00	-	-
Advance income -tax (net of provision for tax)	58.81	46.59	32.45
Total	**303.24**	**46.59**	**32.45**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

9 Trade receivables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables			
Unsecured considered good	430.96	259.50	334.42
Doubtful	104.30	73.28	6.62
Impairment Allowance			
Doubtful	(104.30)	(73.28)	(6.62)
Total	**430.96**	**259.50**	**334.42**

10 Cash & cash equivalents and other bank balances

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash and cash equivalents			
Cash on hand	0.20	0.01	0.10
Balances with banks			
- on current accounts	881.33	603.07	314.06
- deposits with original maturity for less than 3 months	4.32	45.29	380.19
	885.85	**648.37**	**694.35**
Other bank balances			
Balances with banks			
- in fixed deposits with remaining maturity of less than 12 months	289.08	489.94	69.08
	289.08	**489.94**	**69.08**
Total	**1,174.93**	**1,138.31**	**763.43**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks:			
- on current accounts	881.33	603.07	314.06
- deposits with original maturity for less than three months	4.32	45.29	380.19
Cash on hand	0.20	0.01	0.10
Total	**885.85**	**648.37**	**694.35**

11 Other current financial assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good			
Interest accrued but not due			
- from banks amd tax free bonds	11.36	13.76	7.28
Unbilled revenue			
- Unsecured considered good	328.28	314.11	218.02
- Doubtful	9.41	4.44	-
Impairment Allowance (allowance for unbilled revenue)			
- Doubtful	(9.41)	(4.44)	-
Forward contract	-	3.40	-
Other receivables (refer note 28 (1))	41.82	-	-
Total	**381.46**	**331.27**	**225.30**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

12 Other current assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances recoverable in cash or kind or for value to be received	3.23	0.36	0.30
Advance to vendors	14.98	13.86	15.27
VAT receivable	6.06	-	-
Prepaid expenses	31.34	15.39	11.01
Goods and service tax receivable	38.68	-	-
Service tax receivable	2.82	3.44	6.39
Total	**97.11**	**33.05**	**32.97**

13 Statement of share capital

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Share capital			
Authorised shares			
Nil (March 31, 2017: 2,198,796; April 1, 2016: 2,198,796) equity shares of Rs 10 each	-	21.99	21.99
34,371,990 (March 31, 2017: Nil; April 1, 2016: Nil) equity shares of Rs 4 each (refer note 1 below)	137.49	-	-
1,251,204 (March 31, 2017: 1,251,204; April 1, 2016: 1,251,204) preference shares of Rs 10 each	12.51	12.51	12.51
	150.00	**34.50**	**34.50**
Issued, subscribed and paid-up			
Nil (March 31, 2017: 1,989,246; March 31, 2016: 1,989,246) equity shares of Rs 10 each	-	19.89	19.89
26,972,619 (March 31, 2017: Nil; April 1, 2016: Nil) equity shares of Rs 4 each	107.89	-	-
	107.89	**19.89**	**19.89**

(a) Details of shareholders holding more than 5% share in the Company

Equity shares of Rs 10 each

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of shares	% Holding	No of shares	% Holding	No of shares	% Holding
Mitter Infotech LLP	-	-	5,58,356	28.07%	5,58,356	28.07%
West Bridge Venture II Investment Holdings	-	-	13,52,944	68.01%	13,52,944	68.01%

Equity shares of Rs 4 each

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of shares	% Holding	No of shares	% Holding	No of shares	% Holding
Mitter Infotech LLP	59,55,125	22.08%	-	-	-	-
West Bridge Venture II Investment Holdings	61,21,210	22.69%	-	-	-	-
Rakesh Jhunjhunwala	32,94,310	12.21%	-	-	-	-
IIFL Special Opportunity Fund	14,56,320	5.40%	-	-	-	-
Nitish Mittersain	14,75,335	5.47%	-	-	-	-

As per records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

(b) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Out of the equity shares and preference shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
West Bridge Venture II Investment Holdings , the holding company from 30th March, 2016, till 23rd November, 2017						
Nil (March 31, 2017: 1,352,944; April 1, 2016: 1,352,944) equity shares of Rs 10 each fully paid. (refer note 3 below)	-	-	13,52,944	13.53	13,52,944	13.53
6,121,210 (March 31, 2017: Nil; April 1, 2016: Nil) equity shares of Rs 4 each fully paid. (refer note 1 and 3 below)	61,21,210	24.48	-	-	-	-

Notes:

1) On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of Rs 10/- each into 2.5 fully paid up equity share having face value of Rs 4/- each. Accordingly, the outstanding 1,992,509 equity shares having face value of Rs 10 each aggregating to Rs 19.93 million as at 27th December, 2017 were sub-divided into 4,981,272 equity shares having face value of Rs 4 each aggregating to Rs 19.93 million.
2) On 28 December 2017, the shareholders also approved the issuance of bonus shares in the ratio of 4:1 (4 bonus shares for every 1 equity share held). However, the Company allotted bonus shares to existing shareholders on 4th January, 2018 by capitalisation of reserves.
3) On 23rd November,2017 and 24th November,2017, West Bridge Venture II Investment Holding sold/transferred 839,650 equity shares to financial investors and certain employees of the Company. Accordingly, West Bridge II Investment Holding is no longer the holding company and West Bridge Venture LLC is no longer the ultimate holding company from 24th November, 2017.

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares of Rs 10 each

	No of shares	Amount
As at April 1 2016	**19,89,246**	**19.89**
Issued during the year	-	-
As at March 31, 2017	**19,89,246**	**19.89**
Issued during the year	3,263	0.03
Share split and converted to equity shares of Rs 4 each	(19,92,509)	(19.93)
As at March 31, 2018	**-**	**-**

Equity shares of Rs 4 each (refer note 1 above)

	No of shares	Amount
As at April 1 2016	**-**	**-**
Issued during the year	-	-
As at March 31, 2017	**-**	**-**
Share split and converted to Equity Shares of Rs 4 each	49,81,272	19.93
Bonus shares issued during the period	1,99,25,088	79.70
Issued during the period	20,66,259	8.27
As at March 31, 2018	**2,69,72,619**	**107.89**

(d) Terms / rights attached to equity shares

1. Voting rights

   Each shareholder is entitled to one vote per equity share having value of Rs 4 per equity share.

2. Right as to dividend

   The equity share holder is entitled to receive dividend as and when declared by the Board of Directors subject to approval of members at the Annual General Meeting.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

3. Rights on further issue including anti dilution Rights:

In the event the Company proposes to make preferential issue of shares then 'West Bridge Ventures II Investment Holdings' ('Investor') have first right to subscribe on a pro-rata percentage of the entire issue on the basis of existing holding on a fully diluted basis so that the existing shareholding percentage in the Company remain same.

In addition to above, the investor have anti dilution rights including right to be allotted proportionate shares without consideration in case of certain events as defined in shareholder's agreement.

4. Right of first offer, Right of Refusal and Tag Along Rights

In the event Investor propose to transfer all or part of their securities to any person, it shall first offer to Mitter Infotech LLP and two individual shareholders ('Founders') , a pro rata right to purchase all their shares. Investor shall have the right to exercise certain specified tag along rights in case the Founders proposes to transfer any securities to any person in certain cases as defined in Articles of Association (AOA).

In the event Emerging Investments Limited and other two company shareholders and one individual shareholders ('Other Shareholders') propose to transfer all or part of their securities to any person, investor and founders have pro rata right to purchase all their Shares.

5. Drag Along Rights:

In case, the investor receives an offer for sale to third party, the Investor has the right to call upon the founders to sell their part of shareholding subject to certain specified conditions as defined in the AOA of the Company.

6. Liquidation Preference:

In the Event of "Liquidation Event" as defined in shareholders agreement, equity shareholders will be entitled to receive consideration or proceed on a pro rata basis in the proportions of their ownership in the total paid up capital of the company on a fully diluted basis as defined in the AOA of the Company, after distribution of all preferential amounts.

"Liquidation event" shall (except for the issue of shares under an IPO) be deemed to include the following:-

(a) Commencement of any proceedings for the voluntary winding up of the Company in accordance with the Act or the passing of an order of any court appointing a provisional liquidator or administrator in any other proceeding seeking the winding up of the Company; or

(b) The consummation of a consolidation, merger, reorganization or other similar transaction (whether in one or a series of transactions) of the Company resulting in its Shareholders, collectively, retaining less than a majority of the voting power of the Company or the surviving entity immediately following such transaction after giving effect to any conversion exercise or exchange of any Securities convertible into or exercisable or exchangeable for, such voting Securities, or

(c) Sale or transfer of more than 50% [fifty percent] of the then outstanding Shares by the Shareholders, such that the Shareholders, which shall include the Investor, prior to any such transaction, retain after such transaction less than 50% of voting power of the Company.

(d) The sale of, transfer of or creation of an encumbrance of any nature whatsoever or the appointment of a receiver in any proceedings, in more than 50% of the value of the assets and properties of the Company, including but not restricted to tangible and intangible assets of the Company, or any order of any court resulting in the sale of, transfer of or creation of an encumbrance of any nature whatsoever in more than 50% of the value of the assets and properties of the Company including but not restricted to tangible and intangible assets of the Company (whether in one or a series of transactions), which has not been vacated within 15 days of the passing of such order by the court. Subsection (d) would not apply to a case of consolidation, merger, reorganisation or other similar transaction referred to in sub-section (b)

The parties to the Termination Agreement waiver certain rights from the date of the execution of the Termination Agreement, including (i) the right of first refusal of our Promoters and Westbridge under the Westbridge SHA in relation to the equity shares proposed to be transferred by Westbridge in the Offer; (ii) the right of first refusal of Westbridge under the Westbridge SHA in relation to the equity shares proposed to be transferred by Mitter Infotech LLP in the Offer; and (iii) the drag along right of Westbridge under the Westbridge SHA in relation to the equity shares proposed to be transferred by Westbridge in the Offer. Pursuant to the Termination Agreement certain provisions in the Westbridge SHA were amended, including (i) deletion of quorum requirement for Board meetings; (ii) deletion of clause on payment of fees relating to the initial public offering of the Company; and (iii) information rights under the Westbridge SHA. Further, in terms of the Termination Agreement, provided that Vikash Mittersain and Nitish Mittersain are the Company's Directors, Westbridge shall have the right to appoint atleast two directors on our Board, which maybe waived by Westbridge in writing. The Westbridge SHA, as amended by the First Supplementary SSHA and the Termination Agreement shall stand terminated on a date prior to or on the date of listing of the Equity Shares on a recognised stock exchange, as mutually agreed by the Company, Founder and Westbridge. The waiver and amendments specified in the Termination Agreement shall cease to be operative in the event the Offer is not completed by June 30, 2018.

7. Other Rights:

- Investor have right to have their representation on the board of the Company with an affirmative voting right and decision on certain reserved matters such as change or alteration in the rights of any class of shareholders, change in share capital of the Company, undertaking any merger, acquisition, consolidation / amalgamation, change in the composition of board of directors and change in scope of business activity.
- Pursuant to the Share purchase agreement, Rakesh Jhunjhunwala and Utpal Seth acquired 263,545 and 2,780 equity shares of the Company respectively from Westbridge. Accordingly, Rakesh Jhunjhunwala and Utpal Seth have been given the following rights in the event the Company does not undertake an initial public offering and listing of the Company's equity shares by December 7, 2018:

(i) the first right to participate or the right to subscribe to all the equity shares in the fund raising by the Company post December 7, 2018;

(ii) the Company shall not without the affirmative written consent of Rakesh Jhunjhunwala and Utpal Seth take certain actions such as raising new capital, change in scope of business, related party transactions, change in rights associated with the equity shares and acquisition of any company;

(iii) tag along right in the event our Promoters transfer any equity shares post December 7, 2018; and

(iv) execution of a restated shareholders agreement. Further, in the event the initial public offering of the Company is not completed within two years from the date of execution of the Share purchase agreement, Rakesh Jhunjhunwala and Utpal Seth shall have the right to appoint a nominee director on the Board.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

(e) Terms of conversion/redemption of (OCPPS)

Till March 29, 2016 , the Company had only one series of preference shares having par value of Rs 10 each. The preference shares were held by the investor. The following were the rights and preferences attached to preference shares.

1. Voting rights

   The preference shareholders shall have right to vote on as converted to equity share basis.

2. Right as to dividend

   The preference shares will carry a fixed rate of dividend at the rate of 0.01% calculated on a fully diluted basis i.e. on as an if converted basis, is identically the same percentage rate as the dividend declared by the Company on its equity shares.

3. Redemption and conversion rights:

   The preference shareholders investor have right to redeeem any time after expiry of 5 years from closing date i.e., 5th September, 2005 at the option of the preference shareholder at the fair market value as determined by an independent valuer.

   Further, the preference shareholders have right to convert at any time in the ratio of 1:1 subject to adjustment of stock splits, bonus, dividends, recapitalisation and other similar events.

   Apart from above, the investor have the right of first offer, right of first refusal, tag along rights, drag along rights as mentioned in paragraph 3, 4 and 5 of Annexure XVII (d) as preference shareholders.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer note 34.

(g) Aggregate number of shares bought back by the Company:

	March 31, 2018	March 31, 2017	April 1, 2016
Equity shares bought back by the Company	No of shares		
FY 12-13	84,496	84,496	84,496
FY 14-15	45,400	45,400	45,400
	1,29,896	**1,29,896**	**1,29,896**

(h) Bonus issue

Aggregate number of equity shares issued as bonus by the Company	March 31, 2018	March 31, 2017	April 1, 2016
	No of shares		
Equity shares allotted as fully paid bonus shares by capitalization of reserves	1,99,25,088	-	-
	1,99,25,088	**-**	**-**

(i) Dividend distribution made

	March 31, 2018	March 31, 2017	April 1, 2016
Cash dividends on equity shares declared and paid	Rs in million		
Interim dividend paid (including dividend distribution tax)	300.38	-	199.21
	300.38	**-**	**199.21**

Note:

Aggregate number of equity shares issued for consideration other than cash during last 5 years: March 31, 2018: 794,641 (post adjustment of bonus and subdivision), March 31, 2017: Nil, April 1, 2016: Nil)

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

14. Other equity

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Reserves and surplus			
Capital redemption reserve account			
Opening Balance	1.30	1.30	1.30
Add:- transferred from surplus in the statement of profit and loss	-	-	-
Closing balance	**1.30**	**1.30**	**1.30**
Securities premium reserve			
Opening Balance	-	-	-
Addition on issue of shares	1,191.67		
Less: share issue expenses	(5.00)		
Closing balance	**1,186.67**	**-**	**-**
Retained earnings			
Opening Balance	2,171.69	1,555.23	1,077.90
Less:- tax on buyback of shares	-	-	(3.91)
Less:- utilised for dividend distribution	(300.38)	-	(198.92)
Less:- tax on dividend distributed	-	-	(0.29)
Profit during the year	27.73	610.34	680.83
Item of other comprehensive income recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	0.15	0.65	(1.36)
- Net profit / (loss) on FVOCI debt instruments	(1.18)	5.47	0.98
Less:- utilised for issue of bonus shares	(79.70)	-	-
Closing balance	**1,818.31**	**2,171.69**	**1,555.23**
Share based payment reserve			
Opening Balance	37.00	-	-
Additions during the year	157.59	37.00	-
Closing balance	**194.59**	**37.00**	**-**
Capital contribution from shareholder (refer note 34 d (i))			
Opening Balance	-	-	-
Additions during the year	357.18	-	-
Closing balance	**357.18**	**-**	**-**
Non-controlling put option			
Opening Balance	-	-	-
Additions during the year	(126.25)	-	-
Closing balance	**(126.25)**	**-**	**-**
Statutory reserve	**0.45**	**0.45**	**0.45**
Foreign currency translation reserve			
Opening Balance	4.40	45.09	(0.23)
Additions during the year	17.56	(40.69)	45.32
Closing balance	**21.96**	**4.40**	**45.09**
Total reserves and surplus	**3,454.21**	**2,214.84**	**1,602.07**

Note:

1) Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Act.

2) Capital redemption reserve was created on buyback of equity shares of the company.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

15 Non-current borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current borrowings			
Unsecured			
Car loan (refer note 1 below)	0.20	-	-
Total	**0.20**	**-**	**-**

Note:

The above loan shall be repayable in 36 installments.

16 Non-current other financial liability

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-controlling interest put options and other liabilities	129.86	-	-
Total	**129.86**	**-**	**-**

Note:

The company has acquired control over Nextwave on 22nd December 2017 and also have entered into Put Options with Non-controlling interest which will be exercised on 31st March 2019 (Second Closing date) and 31st March 2020 (third closing date) for additional stake based on achievement of PAT targets. Purchase consideration on second closing dates and third closing dates will be based on the threshold defined subject to maximum payout to non-controlling interest of Rs 100 million for second and Rs 100 million for third closing date. Options have been fair valued on initial recognition and subsequently unwinding of interest expense is charged to the consolidated statement of profit and loss.

17 Provisions

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Provisions for employees benefits			
Provision for gratuity (refer note 32)	20.48	13.05	11.68
Total	**20.48**	**13.05**	**11.68**
Current			
Provision for employee benefits			
Compensated absences	2.78	3.70	1.71
Total	**2.78**	**3.70**	**1.71**

18 Trade payables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	287.86	240.17	261.65
Total	**287.86**	**240.17**	**261.65**

Note:

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors. The Company has not received any instruction from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures if any, relating to amounts unpaid as at the year end together with interest payable as required under the said Act have not been given.

19 Other financial liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Payable to employees	28.07	31.35	18.68
Payable for capital expenditure	4.75	2.03	2.09
Total	**32.82**	**33.38**	**20.77**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

20 Other current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from customers	20.42	10.78	29.87
Tax deducted at source payable	53.55	107.60	81.37
Equalisation levy	1.45	0.44	-
Statutory liabilities	8.15	5.87	4.08
Total	**83.57**	**124.69**	**115.32**

Note:

Out of the above advance from customers, advance of Rs. 13.99 million pertains to refund of entertainment tax deducted by a customer, against a bank guarantee furnished by the Company amounting to Rs 15.58 million.

21 Revenue from operations

	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from subscription / download of games and other contents	1,517.01	1,861.75
Revenue from advertising services	152.06	39.83
Revenue from e-sports business	36.40	-
Total	**1,705.47**	**1,901.58**

22 Other income

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income on		
- bank deposits	30.03	47.74
- tax free bonds	4.07	4.05
- long term bonds	2.36	-
Dividend income on current investments	0.75	0.37
Net gain on sale of current investments	5.84	26.13
Sundry balances written back	26.59	7.20
Fair Value gain on financial instruments at fair value through profit or loss	28.34	30.13
Fair Value gain / (loss) on forward exchange contracts	(0.05)	0.05
Other income	0.22	5.22
Total	**98.15**	**120.89**

23 Employee benefit expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	196.34	203.15
Contribution to provident and other funds	8.58	9.39
Expenses on employee stock option scheme (refer note 34)	157.59	37.00
Gratuity expenses (refer note 32)	7.77	2.92
Staff welfare expenses	1.69	1.34
Total	**371.97**	**253.80**

24 Depreciation and amortisation expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of tangible assets (refer note 3)	8.80	7.90
Amortisation of intangible assets (refer note 4)	33.37	3.68
	42.17	**11.58**

25 Finance costs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest (refer note 1 below)	4.91	0.24
Bank charges	4.64	2.64
Total	**9.55**	**2.88**

Note:

Amount includes Rs. 3.60 mn for the year ended March 31, 2018 (March 31, 2017: Nil) on account of unwinding of interest on non controlling interest put option.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

26 Other expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Content management charges	1.79	2.02
Event expenses	3.51	-
Revenue share on subscription/download of games/other contents	17.00	59.25
Consumables for development and testing	0.39	0.44
Rent expenses	43.63	36.64
Rates and taxes	19.87	10.12
Insurance charges	2.96	2.71
Repairs and maintenance	7.67	6.48
Corporate social responsibility expenditure (refer note (ii) below)	1.31	4.75
Sales promotion and business development	12.05	10.27
Travelling and conveyance	29.41	26.05
Communication expenses	4.05	3.17
Printing and stationery	0.54	0.48
Legal and professional fees	65.24	38.60
Server charges	35.31	23.59
Bad debts written off	1.39	12.76
Provision for doubtful debts and unbilled revenue	70.89	39.36
Payment to auditors (refer note (iii) below)	15.74	4.04
Loss on exchange fluctuation (net)	38.19	105.11
Miscellaneous expenses	17.74	8.71
Investments written off (refer note (i) below)	-	6.70
Total	**388.68**	**401.25**

Note:

(i) During the year ended 31st March 2017, the Group has made investment of USD 100,022 (Rs 6.70 mn) in Truly Social Limited. The amount of investment is not recoverable as at 31st March, 2017, hence the investment is written off.

(ii) Corporate social responsibilities

As per section 135 of the Companies Act 2013 and rules therein, the Group is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR).

Details of corporate social expenditures are as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Gross amount required to be spent during the year	6.29	7.34
Amount spent during the year		
i) Construction / acquisition of any asset	-	2.00
ii) On purposes other than (i) above	1.31	2.75
Total amount spent during the year	**1.31**	**4.75**

(iii) Payment to auditors

	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor		
- Audit fee	12.21	3.79
- Reimbursement of expenses	0.32	-
In other capacity		
- for other services	14.16	0.25
Less: Fee for IPO related services disclosed as other receivables (refer note 11)	(10.95)	-
	15.74	**4.04**

27 Exceptional item

	For the year ended March 31, 2018	For the year ended March 31, 2017
Expense on group share based payments (refer note 34 (d))	357.18	-
Total	**357.18**	**-**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

28 Related party disclosures

"Related Party disclosures as required by notified Ind AS 24 Related party disclosures" as given below

A) Names of the related parties and related party relationship

Related parties where control exists

Ultimate holding company	West Bridge Venture LLC (till 23rd November, 2017)
Holding Company / Firm	West Bridge Venture II Investment Holdings (till 23rd November, 2017)
Entity with Significant influence	West Bridge Venture II Investment Holdings (from 24th November, 2017)

Related parties with whom transactions have taken place during the year

Entity with Significant influence	West Bridge Venture II Investment Holdings (from 24th November, 2017)
Associate of subsidiary	Mastermind Sports Limited (from 22nd May, 2017)
Key management personnel	Vikash Mittersain - Chairman Cum Managing Director
	Nitish Mittersain - Managing Director
	Manish Agarwal - Chief Executive Officer
	James Savio Saldanha - Chief Executive Officer Middle East and Africa
	Rakesh Shah - Chief Financial Officer
	Vinav Agarwal - Company Secretary (from 28th December, 2017)
Enterprises owned or controlled by key management personnel	Mitter Infotech LLP (formerly Mitter Infotech Pvt Ltd)

B) Related party transactions:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Remuneration to Key management personnel - As per contract with the Company		
Vikash Mittersain	4.52	4.90
Nitish Mittersain	24.54	30.56
Manish Agarwal	20.66	26.66
Rakesh Shah	6.55	7.35
James Savio Saldanha	19.59	20.89
Vinav Agarwal	0.24	-
Exceptional employee benefit expense on account of share transferred by West Bridge Venture II Investment Holdings (refer note 34 (d) (i))		
Nitish Mittersain	140.22	-
Manish Agarwal	216.96	-
Employee benefit cost for ESOPs granted to Key management personnel		
Manish Agarwal	40.16	12.76
Rakesh Shah	20.08	6.38
Cost of content		
Mastermind Sports Limited	2.07	-
Dividend paid		
Mitter Infotech LLP (formerly Mitter Infotech Private Limited)	84.31	-
West Bridge Venture II Investment Holdings	204.29	-
Vikash Mittersain	0.00*	-
Nitish Mittersain	0.00*	-
Rent paid on behalf of		
Vikash Mittersain	-	4.75
Nitish Mittersain	5.12	3.30
Rent recovered from		
Vikash Mittersain	-	4.75
Nitish Mittersain	4.21	3.30
Capital contribution from shareholder on account of share based payments (refer note 34 (d) (i))		
West Bridge Venture II Investment Holdings	357.18	-
IPO expenses recoverable (refer note 1 below)		
West Bridge Venture II Investment Holdings	39.20	-
Mitter Infotech LLP	2.61	

On 2nd August, 2016, Nazara Europe Limited has been dissolved. Nazara Europe Limited has remitted Rs 0.63 million to the Company.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

C) Amounts outstanding as at the balance sheet date:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance payables at year end			
Vikash Mittersain	-	0.14	-
Nitish Mittersain	0.42	6.00	10.00
Mastermind Sports Limited	2.07	-	-
IPO expenses recoverable (refer note 1 below)			
West Bridge Venture II Investment Holdings	39.20	-	-
Mitter Infotech LLP	2.61	-	-

D) Compensation of Key management personnel

	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	72.78	87.06
Post- employment benefits (refer note 2 below)	3.32	3.31
Share based payment transactions	60.24	19.14
Exceptional employee benefit expense (refer note 34 (d) (i))	357.18	-
Total remuneration	**493.52**	**109.51**

Notes:

1) Other receivables comprises share issue expenses incurred in connection with proposed Initial Public offer (IPO) of the Company. As per understanding between the Company, West Bridge Venture II Investment Holdings and Mitter Infotech LLP, all the IPO expenses other than fees related to merchant bankers will be shared between them, while the merchant bankers' fees will be borne by West Bridge Venture II Investment Holdings and Mitter Infotech LLP.

   Accordingly, the Company has charged its share of IPO expenses to the statement of profit and loss and share of IPO expenses to be recoverred from West Bridge Venture II Investment Holdings and Mitter Infotech LLP has been classified as Other receivables under Other current financial assets.

2) Remuneration to key managerial personnel doesn't include provision made for gratuity and compensated absences as they are determine on acturial basis for the Company.

3) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operations. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

   * Amount is less than 0.01 million

29 Commitments and contingencies

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital commitments			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	2.80	14.30
Other commitments			
Cost of content and other commitments	23.18	70.78	121.97

30 Earnings per share

The following table reflects the income and share data used in the basic and diluted ESP computation:

	As at March 31, 2018	As at March 31, 2017
Basic		
Profit attributable to equity shareholders of parent for the calculation of basic EPS	27.73	610.34
Weighted average number of equity shares in calculating basic EPS (refer note below)	2,53,40,961	2,48,65,575
Earnings per share	**1.09**	**24.55**
Diluted		
Profit attributable to equity shareholders of parent for calculation of diluted EPS	27.73	610.34
Weighted average number of equity shares in calculating basic EPS	2,53,40,961	2,48,65,575
Effect of dilution on stock option granted	3,17,899	9,33,261
Weighted average number of equity shares outstanding (including dilutive)	2,56,58,860	2,57,98,836
Earnings per share	**1.08**	**23.66**

Notes:

1) On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of Rs 10/- each into 2.5 fully paid up equity share having face value of Rs 4/- each.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

2) On 28 December 2017, the shareholders also approved the issuance of bonus shares in the ratio of 4:1 (4 bonus shares for every 1 equity share held). However, the Company allotted bonus shares to existing shareholders on 4th January, 2018 by capitalised of reserves

31 Leases

Operating leases - Company as lesee

The Company's significant leasing arrangements are in respect of operating leases for office premises. The initial tenure of the lease are 36 months with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into lease. Leases include a clause to enable upward revision of the rental charge on an annual basis according to rate prescribed in the contract.

The future minimum lease rental receivable under non-cancellable operating leases in aggregate are as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Lease payment recognised in the statement of profit and loss	-	1.25	20.27
Total	**-**	**1.25**	**20.27**

32 Gratuity and post employment benefits

I) Defined Contribution plan

(a) Provident fund and ESIC

	For the year ended March 31, 2018	For the year ended March 31, 2017
Company's contribution to provident fund and other funds charged to P&L	8.58	9.39

II) Defined benefit plan

(a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. This benefit is unfunded.

The following tables summarise the components of net gratuity benefit expense recognised in the statement of profit and loss and other comprehensive income.

A Balance Sheet

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Liability at the beginning of the year	**10.09**	**8.79**	**5.63**
Interest cost	0.79	0.69	0.45
Current service cost	1.45	1.75	0.81
Past service cost	5.47	-	-
Benefits paid	(0.67)	(0.13)	(0.18)
Re-measurements - Actuarial (Gain)/Loss - due to changes in demographic assumptions	-	-	(0.03)
Re-measurements - Actuarial (Gain)/Loss - due to changes financial assumptions	(0.59)	0.44	0.11
Re-measurements - Actuarial (Gain)/Loss - due to changes experience adjustment	0.38	(1.45)	2.00
Liability at the end of the year	**16.92**	**10.09**	**8.79**

ii) Balance sheet reconciliation

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening net liability	**10.09**	**8.79**	**5.63**
Expense recognized in statement of profit and loss	7.10	2.44	1.26
Expense recognized in OCI	(0.21)	(1.01)	2.08
Liability acquired on acquisition	0.61	-	-
Benefit paid directly by the employer	(0.67)	(0.13)	(0.18)
Amounts recognized in the balance sheet	**16.92**	**10.09**	**8.79**

B Statement of profit & loss

i) Expense recognised in statement of profit or loss

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	1.45	1.75
Past service cost	5.47	-
Net interest cost	0.79	0.69
Expense on acquisition	(0.61)	-
Expenses recognized in profit or loss	**7.10**	**2.44**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

ii) Expense recognised in other comprehensive Income

	For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurements actuarial (gain) / loss	(0.21)	(1.01)
Net (income)	**(0.21)**	**(1.01)**

In respect of Nazara Technologies FZ LLC, gratuity payable as at 1st April, 2016: Rs 2.89 million.

In respect of Nazara Technologies FZ LLC, gratuity payable as at 31st March, 2017: Rs 2.96 million and gratuity expense during the year 31st March, 2017: Rs 0.48 million)

In respect of Nazara Technologies FZ LLC, gratuity payable as at 31st March, 2018: Rs 3.57 million and gratuity expense during the year ended 31st March, 2018: Rs 0.68 million)

C The principal assumptions used in determining gratuity obligations are shown below:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Discount rate	7.35%-7.56%	6.77%	7.72%
Future salary increases	10%-15%	10.00%	10.00%
Salary increase frequency			
Weighted average duration of the projected benefit obligation	6 years	6 years	6 years
Rate of employee turnover	5%-20%	15%	15%
Mortality rate during employment	Indian Assured lives Mortality (2006-08)		
Mortality rate after employment	NA		

D A quantitative sensitivity analysis for significant assumption as at balance sheet date are as shown below:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Discount rate (- 1%)	0.90	0.52	0.46
Discount rate (+ 1%)	(0.81)	(0.47)	(0.41)
Salary Escalation Rate (- 1%)	(0.47)	(0.28)	(0.26)
Salary Escalation Rate (+ 1%)	0.50	0.29	0.27
Employee turnover (- 1%)	0.18	0.02	0.02
Employee turnover (+ 1%)	(0.17)	(0.02)	(0.02)

Methods and assumptions used in preparing sensitivity and their limitations: The liability was projected by changing certain assumptions and the total liability post the change in such assumptions have been captured in the table above. This sensitivities are based on change in one single assumption, other assumptions being constant. In practice, scenario may involve change in several assumptions where the stressed defined benefit obligation may be significantly impacted.

E Maturity analysis of projected benefit obligation

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
1st following year	2.02	1.38	1.11
2nd following year	3.06	1.28	1.15
3rd following year	1.94	1.78	1.08
4th following year	1.84	1.11	1.51
5th following year	1.75	1.02	0.97
Sum of years to 6 to 10	6.75	3.84	3.64

33 Income tax

A Income tax expense in the statement of profit and loss consists of:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current income tax:		
Income tax (current year)	143.65	129.90
Income tax (earlier year)	2.02	1.92
Deferred tax charge/ (credit)	(23.50)	(24.21)
Income tax expense reported in the statement of profit or loss	**122.17**	**107.61**
Income tax recognised in other comprehensive income		
- Deferred tax arising on income and expense recognised in other comprehensive income	0.07	(0.96)
Total	**122.24**	**106.66**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

B The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax	134.30	717.95
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	46.48	248.47
Effects of unrecognized deferred tax assets	18.62	(23.50)
Effects of overseas tax laws	(51.92)	(56.53)
Effects of differential overseas tax rates	(65.95)	(80.59)
Tax paid at lower rate	4.67	-
Expenses not allowed for tax purpose	(11.65)	-
Effect of tax paid on dividend received	52.35	-
Impact of capital gain on sale of investments	(8.46)	-
Other permanent differences	12.18	17.83
Tax of earlier years	2.02	1.92
Exceptional items	123.83	-
Total income tax expense	**122.17**	**107.61**

C Deferred tax relates to the following: Balance sheet

	Balance sheet		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	1.64	1.57	1.03
Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	31.10	28.41	5.52
Provision for doubtful debts	28.81	10.85	4.16
Intangible Assets	(169.23)	-	-
Deferred tax Liability on Business combination as on acquisition date	(2.37)	-	-
Deferred revenue taxed in current year	0.57	1.63	-
Other items giving rise to temporary differences	(7.73)	(1.78)	6.71
Net deferred tax assets / (liabilities)	**(117.21)**	**40.68**	**17.42**

D Reconciliation of deferred tax assets (net):

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening balance as of 1 April	40.68	17.42	8.05
Tax income/(expense) during the period recognised in profit or loss	23.50	24.21	8.76
Tax income/(expense) during the period recognised in OCI	0.07	(0.95)	0.61
Deferred tax Liability created on Intangible assets	(176.08)	-	-
Deferred tax Liability on Business combination as on acquisition date	(2.37)	-	-
Exchange rate difference - due to subsidiaries	(3.01)	-	-
Closing balance	**(117.21)**	**40.68**	**17.42**

E Deferred tax relates to the following: Statement of profit or loss

	Statement of profit or loss	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	0.07	0.54
Impact of expenditure charged to statement of profit and loss in the current year but allowed for tax purposes on payment basis	2.69	23.85
Provision for doubtful debts	17.96	6.69
Reversal fo deferred tax liability on identified assets	6.84	-
Deferred revenue taxed in current year	(1.06)	1.63
Exchange rate difference due to subsidiaries	3.01	-
Other items giving rise to temporary differences	(6.01)	(8.50)
Net deferred tax credit/ (charge)	**23.50**	**24.21**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

F Note on undistributed profit of subsidiaries

The Group has not recognised deferred tax liability associated with undistributed earnings of its subsidiaries as it cannot control the timing of the reversal of these temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The taxable temporary differences relating to investment in subsidiaries associated with respect to undistributed earnings for which a deferred tax liability has not been created:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Undistributed Earnings	94.81	226.37	103.24
Unrecognised deferred tax liabilities relating to the above temporary	17.68	39.03	18.89

34 Share based payments

(a) During the period ended 31st December 2017 and year ended 31st March 2017 ESOP 2016 scheme was in operation while during the year ended 31st March 2016 and March 31 2015, ESOP 2005 scheme was in operation.

Under the ESOP 2005, share options of the Company are granted to Mr Nitish Mittersain , CEO of the Company. The share options vest if within four years from the date of grant.

Under the ESOP 2016, share options of the Company are granted to senior executives of the Company and its subsidiary employees with more than 12 months of service. The share options vest if within one years from the date of grant, the senior executive remains employed on such date. The Company has cross charged the expense at fair value to the Subsidiary in respect of the ESOPS granted to the employee of subsidiary.

The fair value of the share options is estimated at the grant date using black scholes pricing model, taking into account the terms and conditions upon which the share options were granted.

The contractual term of each option granted (comprising the vesting period and the exercise period) is six years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

(b) The Company has provided the following equity settled share-based payment schemes to its senior management. The details of the ESOP schemes are as follows:

ESOP 2005

Details of ESOP 2005 are as follows:

Particulars	
Date of grant	17th September, 2005
Date of board approval	17th September, 2005
Number of options granted	108,537 to Mr. Nitish Mittersain
Method of settlement	Equity
Vesting period	Four years
Exercise period	Open ended
Vesting conditions	50% vesting after 2 years and balance 50% vesting equally over remaining 2 years
Exercise price	Rs 78

The details of activities under the scheme 2005 are summerised below:

Particulars	March 31, 2017	April 1, 2016
	Number of options	Number of options
Outstanding at the beginning of the year	1,08,537	1,08,537
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Cancelled during the year (refer note below)	1,08,537	-
Outstanding at the end of the year	-	1,08,537
Exercisable at the end of the year	-	1,08,537
Weighted average remaining contractual life (in years)	0 Years	0 Years

Pursuant to the board resolution passed on 24th November, 2016, 108,537 stock options granted to Mr. Nitish Mittersain has been rescinded, in lieu of which, on 23 November, 2017, West Bridge Investment II LLC, the parent company has transferred 107,242 equity shares of Rs 10 each held by it in the Company to Mr. Nitish Mittersain for no consideration.

ESOP 2016

Details of ESOP 2016 are as follows:

Particulars	
Date of grant	2nd January, 2017
Date of board approval	24th November, 2016
Date of member approval	26th December, 2016
Number of options granted	59,411 to eligible employees of the Company and subsidiary company
Method of settlement	Equity
Vesting period	One year
Exercise period	Five years
Vesting conditions	100% vesting after one year
Exercise price	Rs 2,929

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

The details of activity under the scheme 2016 are summerised below:

Particulars	March 31, 2018	March 31, 2017
	Number of options	Number of options
Outstanding at the beginning of the year	59,411	-
Granted during the year	-	59,411
Adjustment for bonus and subdivision of shares (refer note (i) below)	6,83,227	-
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	7,42,638	59,411
Exercisable at the end of the year	7,42,638	-
Weighted average remaining contractual life (in years)	4.75 years	5.75 years

(i) On 28th December, 2017, the shareholders of the Company approved for subdivision of 1 fully paid up equity share having face value of Rs 10/- each into 2.5 fully paid up equity share having face value of Rs 4/- each and issuance of bonus shares in the ratio of 4:1 with record date of 4th January, 2018.

Pursuant to this, the board of directors approved adjustment to exercise price and number of options to all outstanding stock options.

Accordingly, the outstanding 59,411 employee stock options convertible into equity shares of Rs 10 each were converted into 742,638 employee stock options convertible into 1 equity share of Rs 4 each and exercise price got revised from Rs. 2929 per share to Rs. 234.32 per share.

(ii) There were no cancellations or modifications to the rewards during the year ended 31st March, 2018 and 31st March, 2017.

ESOP 2017

Details of ESOP 2017 are as follows:

Particulars	
Date of grant	17th January, 2018
Date of board approval	11th December, 2017
Date of member approval	15th December, 2017
Number of options granted	562,733 to eligible employees of the subsidiary company
Method of settlement	Equity
Vesting period	One year
Exercise period	Five years
Vesting conditions	100% vesting after one year
Exercise price	Rs 282.91

The details of activity under the scheme 2017 are summerised below:

Particulars	March 31, 2018	March 31, 2017
	Number of options	Number of options
Outstanding at the beginning of the year	-	-
Granted during the year	5,62,733	-
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	5,62,733	-
Exercisable at the end of the year	-	-
Weighted average remaining contractual life (in years)	5.75 years	-

(c) **The Black Scholes valuation model has been used for computing weighted average fair value considering the following inputs:**

	ESOP 2017	ESOP 2016	ESOP 2005
Dividend yield (%)	0.00%	0.00%	No Options Granted during the year
Expected volatility (%)	23.04%	25.00%	
Risk free interest rate (%)	7.16%	6.27%	
Spot price (Rs)	563.03	4,524.33	
Exercise Price (Rs)	282.91	2,928.75	
Expected life of options granted (years)	3.5 years	3.5 years	
Model used	Black Scholes	Black Scholes	

The expected life of the share options are based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

(d) **The expense recognised for employee service received during the year is shown in the following table:**

	For the period ended March 31, 2018	For the period ended March 31, 2017
Expense arising from equity-settled share based payment transactions	157.59	37.00
	157.59	**37.00**
Capital contribution from a shareholder on account of share based payments		
Share based payment on account of transfer of shares by a shareholder (refer note (i) below)	357.18	-
	357.18	-

Note:

(i) During the year ended 31 March, 2018, West Bridge transferred from its shareholding in the Company, 20,519 equity shares to Mr. Nitish Mittersain and 31,748 equity shares to Mr. Manish Agarwal, without consideration, in recognition of their contribution made towards the growth of the Company and preparing the Company for an IPO. In accordance with Ind AS 102 "Share based payments", the Company has recorded in the financial statements for the year ended 31 March, 2018, exceptional employee benefit expense of Rs 357.18 million represented by the fair value of the shares transferred by West Bridge, with a corresponding credit to equity as contribution from shareholder.

(ii) During the year ended March 31, 2018, the Holding Company granted 562,733 stock options to the KMP's of its subsidiary Nextwave Multimedia Private Limited.In accordance with Ind AS 102 “Share based payments” an amount of Rs 41.13 million is recorded represented by the proportionate fair value of the above transfer for 73 days (i.e. from January 17, 2018 to March 31, 2018) as an exceptional employee benefit expense by the Subsidiary.

35 Segment information

A Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (“CODM”) of the Group. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Group. The Group has identified the following segments as reporting segments based on the information reviewed by CODM:

1. Subscription/download of games/other contents business
2. Freemium business comprising of advertising services
3. Business of organising events including e-sports tournaments

*Till 31st March 2015 The Group was exclusively engaged in the business of mobile value added services (VAS) including game download nd subscription based services and there were no separate business segments required to be disclosed.

B Segment revenue and Segment Results

Description	As at and for the year ended March 31, 2018				As at and for the year ended March 31, 2017			As at April 1, 2016		
	Subscription / download of games/other contents	Freemium business	Business of organising events including e-sports tournaments	Total	Subscription / download of games/other contents	Freemium business	Total	Subscription / download of games/other contents	Freemium business	Total
Revenue	1,517.01	152.06	36.40	1,705.47	1,861.75	39.83	1,901.58			
Results:										
Segment results	716.53	(52.48)	(4.95)	659.11	836.65	(70.20)	766.45			
Unallocated corporate expense	-	-	-	(265.15)	-	-	(169.39)			
Other income	-	-	-	98.15	-	-	120.89			
Profit before exceptional item and tax	-	-	-	492.11	-	-	717.95			
Share of net (loss) of associate by using equity method	-	-	-	(0.63)	-	-	-			
Exceptional item	-	-	-	(357.18)	-	-	-			
Profit before tax				134.30			717.95			843.77
Tax expense	-	-	-	122.17	-	-	107.61			
Profit for the year	-	-	-	12.13	-	-	610.34			
Segment assets	1,898.45	627.01	1,231.58	3,757.03	1,702.36	62.11	1,764.47	1,252.21	47.20	1,299.40
Unallocated corporate assets	-	-	-	988.97	-	-	888.88	-	-	734.77
Total assets	-	-	-	4,746.00	-	-	2,653.35	-	-	2,034.17
Segment liabilities	269.92	227.64	164.26	661.82	368.04	11.01	379.05	368.25	3.85	372.10
Unallocated corporate liabilities	-	-		101.92	-	-	39.57	-	-	40.11
Total liabilities	-	-		763.74	-	-	418.62	-	-	412.21
Other disclosures										
Investments in an associate				22.10			-			-
Depreciation				42.17			11.58			9.49

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Note

1 There is no inter segment revenue and entire revenue is from external customers only.

2 Revenue from one customer of the subscription / download of games/other contents segment amounted to Rs 230.07 million (31 March, 2017: 35.55 million)

Reconciliation of assets:

Description	As at March 31, 2018 Total	As at March 31, 2017 Total	As at April 1, 2016 Total
Segment assets	**3,757.03**	**1,764.47**	**1,299.40**
Non-current assets			
Property, plant and equipment	5.02	8.75	14.87
Intangible assets	7.44	8.05	4.54
Intangible assets under development	-	1.40	3.60
Financial assets			
Loans and deposits	13.67	14.12	12.06
Other financial assets	1.79	1.68	1.57
Deferred tax assets	25.66	17.64	13.50
Other non-current assets	16.03	19.55	7.25
Current assets			
Financial assets			
Investments	837.12	725.04	560.65
Cash and cash equivalents	25.46	79.58	102.44
Loans and deposits	1.82	10.83	13.87
Other financial assets	37.25	2.24	0.43
Other current Assets	17.70	-	-
Total assets	**4,746.00**	**2,653.35**	**2,034.17**

Reconciliation of liabilities:

Description	As at March 31, 2018 Total	As at March 31, 2017 Total	As at April 1, 2016 Total
Segment liabilities	**661.82**	**379.05**	**372.10**
Non-current liabilites			
Provisions	14.03	10.09	8.79
Current liabilities			
Financial liabilities			
Trade payables	51.33	7.91	6.82
Other current liabilities	22.50	17.86	22.78
Provisions	2.78	3.71	1.71
Current tax liabilities (net)	11.28	-	-
Total liabilities	**763.74**	**418.62**	**412.21**

(a) Revenue from External Customers

Segment Revenue	For the year ended March 31, 2018	For the year ended March 31, 2017
India	319.14	616.84
Iran (refer note 2 above)	269.45	35.55
Middle east (other than Iran)	325.39	345.04
Africa	346.76	556.70
Rest of the world	444.73	347.45
Total revenue	**1,705.47**	**1,901.58**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

(b) Carrying amount of segment assets and addition to fixed assets and intangible assets

The following table shows the carrying amount of segment assets and addition to segment assets by geographical area in which assets are located.

Particulars	Carrying amount of segment assets	Addition to fixed assets and intangible assets	Carrying amount of segment assets	Addition to fixed assets and intangible assets	Carrying amount of segment assets	Addition to fixed assets and intangible assets
	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
India	2,745.95	1,332.82	966.44	8.16	945.95	18.28
Iran (refer note 2 above)	137.74	-	19.43	-	-	-
Middle east (other than Iran)	675.30	0.04	418.31	2.11	230.82	0.07
Africa	726.02	-	881.89	-	621.25	-
Rest of the world	338.56	-	280.01	-	186.29	0.43
Total	**4,623.57**	**1,332.86**	**2,566.08**	**10.27**	**1,984.31**	**18.78**

36 Financial assets and financial liabilities

Financial assets at fair value

Particulars	Carrying value			Fair value		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments in mutual fund	806.57	652.75	504.43	806.57	652.75	504.43
Investments in tax free bonds	60.99	62.30	56.22	60.99	62.30	56.22
Investments in convertible preference shares	19.72	26.98	27.57	19.72	26.98	27.57
Investment in Halaplay Technologies Private Limited	4.01	-	-	4.01	-	-
Investment in Moonglab Technologies Private Limited	5.00	-	-	5.00	-	-
Investment in Afk Gaming Private Limited	5.75	-	-	5.75	-	-
Total	**902.04**	**742.03**	**588.22**	**902.04**	**742.03**	**588.22**

Financial assets and liabilities at amortised cost

Particulars	Carrying value			Amortised cost		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets - Non-current						
Security deposits	16.05	14.70	12.83	16.05	14.70	12.83
Fixed deposits with bank and interest accured	1.79	1.68	1.57	1.79	1.68	1.57
Investments in debentures	81.37	-	-	78.31	-	-
Financial assets - current						
Trade receivable	430.96	259.50	334.42	430.96	259.50	334.42
Cash and cash equivalents	885.85	648.37	694.35	885.85	648.37	694.35
Other bank balances	289.08	489.94	69.08	289.08	489.94	69.08
Investments in debentures	-	10.00	-	-	10.77	-
Security deposits and loan to employees	1.82	1.27	2.25	1.82	1.27	2.25
Other financial assets	381.46	331.27	225.30	381.46	331.27	225.30
Total assets	**2,088.38**	**1,756.73**	**1,339.80**	**2,085.32**	**1,757.50**	**1,339.80**
Financial liabilities - Non-current						
Borrowings	0.20	-	-	0.20	-	-
Financial liabilities - current						
Trade payable	287.85	240.17	261.65	287.85	240.17	261.65
Other financial liabilities	32.82	33.38	20.77	32.82	33.38	20.77
Total liabilities	**320.87**	**273.55**	**282.42**	**320.87**	**273.55**	**282.42**

Notes:

1) The management assessed that fair values of cash and cash equivalents, trade receivables, borrowings, trade payables, Interest accrued on bank deposits with banks, other current financial assets, other bank balances and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. The fair values of the remaining FVTPL financial asset are derived from quoted marker price in active markets.

2) The fair values of security deposits and other financial assets and liabilities are considered to be the same as their carrying values, as there is an immaterial change in the lending rates.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

37 **Fair value hierarchy**

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

i) **Level 1**

quoted (unadjusted) prices in active markets for identical assets or liabilities.

ii) **Level 2**

other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly.

iii) **Level 3**

techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurements hierarchy of the Group's assets and liabilities.

I **The carrying amount and fair value measurement hierarchy for assets as at March 31, 2018 is as follow**

Particulars	Carrying Value	Fair Value	Date of Valuation	Fair value measurement using			Total
				Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments in convertible preference shares	19.72	19.72	March 31, 2018	-	-	19.72	19.72
Investments in mutual fund	806.57	806.57	March 31, 2018	806.57	-	-	806.57
Investments in tax free bonds	60.99	60.99	March 31, 2018	60.99	-	-	60.99
Investment in Halaplay Technologies Private Limited	4.01	4.01	March 31, 2018	-	-	4.01	4.01
Investment in Moonglab Technologies Private Limited	5.00	5.00	March 31, 2018	-	-	5.00	5.00
Investment in Afk Gaming Private Limited	5.75	5.75	March 31, 2018	-	-	5.75	5.75
Total	**902.04**	**902.04**		**867.56**	**-**	**34.48**	**902.04**

II **The carrying amount and fair value measurement hierarchy for assets as at March 31, 2017:**

Particulars	Carrying Value	Fair Value	Date of Valuation	Fair value measurement using			Total
				Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments in convertible preference shares	26.98	26.98	March 31, 2017	-		26.98	26.98
Investments in mutual fund	652.75	652.75	March 31, 2017	652.75	-	-	652.75
Investments in tax free bonds	62.30	62.30	March 31, 2017	62.30	-	**-**	62.30
Total	**742.03**	**742.03**		**715.05**	-	**26.98**	**742.03**

III **The carrying amount and fair value measurement hierarchy for assets as at April 1, 2016:**

Particulars	Carrying Value	Fair Value	Date of Valuation	Fair value measurement using			Total
				Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments in convertible preference shares	27.57	27.57	March 31, 2016	-	-	27.57	27.57
Investments in mutual fund	504.43	504.43	March 31, 2016	504.43	-	-	504.43
Investments in tax free bonds	56.22	56.22	March 31, 2016	56.22	-	**-**	56.22
Total	**588.22**	**588.22**		**560.65**	**-**	**27.57**	**588.22**

IV **The carrying amount and fair value measurement hierarchy for liabilities as at March 31, 2018:**

Particulars	Carrying Value	Fair Value	Date of Valuation	Fair value measurement using			Total
				Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Non-controlling interest put options and other liabilities	129.86	129.86	March 31, 2018	-	-	129.86	129.86
Total	**129.86**	**129.86**		-	-	**129.86**	**129.86**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

V Assets measured at amortized cost

Particulars	Asset measured at amortised cost for which fair value is disclosed				
	Date of Valuation	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Investments in debentures	March 31, 2018	78.31	-	-	78.31
Investments in debentures	March 31, 2017	10.77	-	-	10.77

There have been no transfer between Level 1,2 and 3 during the period 31st March, 2018 and 31st March, 2017.

Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about significant unobservable inputs used in level 3 fair value measurement:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
	March 31, 2018			
Unquoted convertible preference shares of Investements in Hashcube Inc	DCF method	Long-term growth rate for cash flows for subsequent years.	4.5% - 5.5%	A 50 bps decrease in growth rate with a 50 bps increase in discount rate would reduce the Fair Value by Rs 26.45 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 50 bps would increase the fair value by Rs 36.04 million.
		WACC	11% -12%	
Investment in Halaplay Technologies Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years.	7.29% - 8.03%	A 36 bps decrease in growth rate with a 49 bps increase in discount rate would reduce the Fair Value by Rs 8.3 million; and an increase in growth rate by 38 bps with a decrease in discount rate by 48 bps would increase the fair value by Rs 9.6 million.
		WACC	19.19% - 20.16%	
Investment in Moonglab Technologies Private Limited	DCF method	Long-term growth rate for cash flows for subsequent years.	4.5% - 5.5%	A 50 bps decrease in growth rate with a 50 bps increase in discount rate would reduce the Fair Value by Rs 1.77 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 50 bps would increase the fair value by Rs 2.02 million
		WACC	19.50% - 20.50%	
Non-controlling interest put options and other liabilities in Nextwave Multimedia Private Limited	DCF method	WACC	10.00% - 11.00%	A 50 bps decrease in discount rate would increase the fair value by Rs 1.02 million; and an increase in discount rate by 50 bps would decrease the fair value by Rs 1.00 million.
	March 31, 2017			
Unquoted convertible preference shares of Investements in Hashcube Inc	DCF method	Long-term growth rate for cash flows for subsequent years.	4.5% - 5.5%	A 50 bps decrease in growth rate with a 50 bps increase in discount rate would reduce the Fair Value by Rs 22.78 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 50 bps would increase the fair value by Rs 45.80 million.
		WACC	11% -12%	
	April 1, 2016			
Unquoted convertible preference shares of Investements in Hashcube Inc	DCF method	Long-term growth rate for cash flows for subsequent years.	4.5% - 5.5%	A 50 bps decrease in growth rate with a 50 bps increase in discount rate would reduce the Fair Value by Rs 23.28 million; and an increase in growth rate by 50 bps with a decrease in discount rate by 50 bps would increase the fair value by Rs 46.80 million.
		WACC	11% -12%	

38 Financial risk management objectives and policies

The Company's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Financial instruments affected by market risk include deposits, FVTOCI investments.

The sensitivity analyses in the following sections relate to the position as at 31st March, 2018 and 31 March, 2017.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2018 and 31st March, 2017.

Equity price risk

The Company's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Company's Board of Directors review and approve all equity investments. At the reporting date, the exposure to unlisted equity securities at fair value and sensitivity analysis of these investments have been provided in Note 36.

Foreign currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group in certain geographics uses derivatives like forward exchange contracts to hedge exposure to foreign currency risk.

(i) Forward Contract (Derivatives):

One of the subsidiary of the Company uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its trade payables details of which are given below:

Forward contract outstanding as at balance sheet date:

March 31, 2018 Buy US $ Nil	Hedging of creditors
March 31, 2017 Buy US $ 50,000	Hedging of creditors
March 31, 2016 Buy US $ Nil	Hedging of creditors
March 31, 2015 Buy US $ Nil	Hedging of creditors

(ii) Amounts receivable in foreign currency on account of the following:

Currency	Particulars	As at March 31, 2018		As at March 31, 2017	
		Amt in FC	Amt in Rs	Amt in FC	Amt in Rs
USD	Cash and bank balances	4.74	308.01	3.92	253.45
	Trade receivable	2.18	141.07	1.18	76.37
	Other current assets	2.08	135.13	1.66	107.63
	Security deposits	0.03	2.06	0.00*	0.26
	Non-current investments	0.65	42.45	0.59	38.05
AED	Cash and bank balances	21.26	375.98	13.30	234.34
	Trade receivable	2.82	49.90	2.51	44.13
	Other current assets	9.29	164.35	7.62	134.21
	Security deposits	0.02	0.32	0.02	0.32
	Non-current investments	4.60	81.37	-	-
IRR	Trade receivable	91,333.43	109.60		
	Other current assets	15,664.26	18.80	-	-
NGN	Cash and bank balances	155.09	27.98	906.38	186.60
	Trade receivable	36.02	6.50	64.56	13.29
	Other current assets	258.28	46.59	89.16	18.36
KES	Cash and bank balances	486.52	313.08	650.65	401.44
	Trade receivable	4.39	2.83	11.45	7.07
	Other current assets	16.24	10.45	22.90	14.13
ZMW	Cash and bank balances	0.11	0.76	1.10	7.33
	Trade receivable	0.28	1.90	-	-
	Other current assets	0.11	0.75	0.41	2.70

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Currency	Particulars	As at March 31, 2018		As at March 31, 2017	
		Amt in FC	Amt in Rs	Amt in FC	Amt in Rs
UGX	Cash and bank balances	291.20	5.13	575.87	10.16
	Trade receivable	99.46	1.75	35.31	0.62
	Other current assets	124.36	2.19	92.36	1.63
BDT	Cash and bank balances	36.11	28.26	0.10	0.08
	Trade receivable	1.79	1.40	20.86	16.49
	Other current assets	16.68	13.06	21.85	17.28
			1,891.67		**1,585.94**

(iii) Amounts payable in foreign currency on account of the following:

Currency	Particulars	As at March 31, 2018		As at March 31, 2017	
		Amt in FC	Amt in Rs	Amt in FC	Amt in Rs
USD	Trade payable	1.56	99.75	1.17	75.91
AED	Trade payable	1.85	32.17	2.29	40.33
NGN	Trade payable	46.92	8.31	8.60	1.77
KES	Trade payable	58.98	36.47	107.28	66.19
ZMW	Trade payable	0.88	5.62	0.00*	0.08
UGX	Trade payable	91.21	1.60	17.06	0.30
BDT	Trade payable	0.64	0.49	0.17	0.13
			184.41		**184.71**

Foreign currency sensitivity

5% increase or decrease in foreign exchange rates will have the following impact on profit before tax

Currency	March 31, 2018		March 31, 2017	
	5% increase	5% decrease	5% increase	5% decrease
USD	2.17	(2.17)	33.07	(33.07)
EURO	-	-	0.05	(0.05)
AED	1.85	(1.85)	-	-
BDT	0.38	(0.38)	0.38	(0.38)
LKR	0.56	(0.56)	0.64	(0.64)
IRR	6.42	(6.42)	-	-
IDR	2.14	(2.14)	0.48	(0.48)
Other currencies	0.29	(0.29)	0.22	(0.22)
Total	**13.82**	**(13.82)**	**34.84**	**(34.84)**

5% increase or decrease in foreign exchange rates will have the following impact on equity

Currency	March 31, 2018		March 31, 2017	
	5% increase	5% decrease	5% increase	5% decrease
USD	27.06	(27.06)	19.99	(19.99)
IRR	6.42	(6.42)	-	-
AED	32.55	(32.55)	18.63	(18.63)
NGN	3.53	(3.53)	10.82	(10.82)
KES	14.92	(14.92)	17.82	(17.82)
ZMW	0.15	(0.15)	0.50	(0.50)
UGX	0.37	(0.37)	0.61	(0.61)
BDT	2.12	(2.12)	1.69	(1.69)
Total	**87.11**	**(87.11)**	**70.06**	**(70.06)**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by each business segment through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account factors such as default risk of industry, historical experience for customers etc. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

At March 31, 2018, March 31, 2017 and March 31, 2016 receivable (including unbilled) from Group's top 5 customers accounted for approximately 38.13%, 30.71%, and 40.34% respectively of all the receivables (including unbilled) outstanding. As at March 31, 2018 receivable (including unbilled) from one top customer accounted for 17.16% of all receivable (including unbilled) outstanding. An impairment analysis is performed at each reporting date on an individual basis based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note No 36. The Group does not hold collateral as security.

The Group evaluates that there exists concentration of risk with respect to trade receivables due to its dependency on a limited number of customers for a significant portion of receivables outstanding.

The inability to recover the amount payables by such top customers may have an adverse impact on revenue from the Subscription Business, and thereby on revenue from operations.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017 and March 31, 2017 is the carrying amounts as illustrated in Note 36.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations as they fall due. The Group's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and investment in liquid mutual funds to meet the Group's operating requirements with an appropriate level of headroom. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows. The Group has access to a sufficient variety of sources of funding maturing within 12 months can be rolled over with existing lenders.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

As at March 31, 2018	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Borrowings		0.20	-	0.20
Trade payables	287.85	-	-	287.85
Other financial liabilities	32.82	-	-	32.82
Total	**320.67**	**0.20**	**-**	**320.87**

As at March 31, 2017	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Trade payables	240.17	-	-	240.17
Other financial liabilities	33.38	-	-	33.38
Total	**273.55**	**-**	**-**	**273.55**

39 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary purpose is to maximise the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The capital structure is governed by policies approved by Board of Directors and is monitored by various matrices, funding requirements are reviewed periodically.

40 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors. The Company has not received any instruction from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures if any, relating to amounts unpaid as at the year end together with interest payable as required under the said Act have not been given.

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

41 Disclosure as per Schedule III of the Companies Act 2013

Statement showing shares of entities in consolidated net assets and consolidated statement of profit and loss as at and for the year ended March 31, 2018

	Name of the entity in the Group	Net assets i.e. total assets minus total liabilities		Share in profit and loss		Share in total comprehensive income / loss	
		As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated profit	Amount
(A)	**Holding company**						
	Nazara Technologies Limited, India	42.70%	1,520.90	-1543.22%	(427.95)	-1605.88%	(428.97)
(B)	**Subsidiaries**						
	Nazara Technologies FZ LLC, Dubai	17.10%	609.16	573.19%	158.95	595.04%	158.95
	Nazara Pte Ltd, Singapore	5.33%	189.96	278.80%	77.31	289.43%	77.31
	Nazara Pro Gaming Private Limited (from 16th May, 2017)	0.00%	0.11	-	-	-	-
	Nextwave Multimedia Private Limited (from 12th December, 2017)	3.58%	127.64	-54.92%	(15.23)	-57.02%	(15.23)
	Nodwin Gaming Private Limited (10th January, 2018)	10.58%	376.91	-7.73%	(2.14)	-8.03%	(2.14)
(C)	**Stepdown subsidiaries**						
	Nazara Technologies, Mauritius	8.15%	290.43	734.93%	203.80	762.95%	203.80
	Nzmobile Nigeria Limited, Nigeria	3.24%	115.39	-16.40%	(4.55)	-17.03%	(4.55)
	Nzmobile Kenya Limited, Kenya	7.95%	283.16	144.17%	39.98	149.67%	39.98
	Nazara Zambia Limited, Zambia	0.06%	2.03	5.23%	1.45	5.43%	1.45
	Nazara Uganda Limited, Uganda	0.21%	7.40	1.18%	0.33	1.22%	0.33
	Nazara Bangladesh Limited, Bangladesh	1.11%	39.64	-12.95%	(3.59)	-13.44%	(3.59)
(D)	**Associate of subsidiary**						
	Mastermind Sports Limited (from 22nd May, 2017)	-0.02%	(0.63)	-2.27%	(0.63)	-2.36%	(0.63)
	Total	**100.00%**	**3,562.10**	**100.00%**	**27.73**	**100.00%**	**26.71**

Statement showing shares of entities in consolidated net assets and consolidated statement of profit and loss as at and for the year ended March 31, 2017

	Name of the entity in the Group	Net assets i.e. total assets minus total liabilities		Share in profit and loss		Share in total comprehensive income / loss	
		As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated profit	Amount
(A)	**Holding company**						
	Nazara Technologies Limited, India	40.92%	914.38	15.16%	92.55	16.01%	98.68
(B)	**Subsidiaries**						
	Nazara Technologies FZ LLC, Dubai	16.40%	366.39	25.41%	155.08	25.16%	155.08
	Nazara Europe Ltd, England (Dissolved on 2nd August, 2016)	-	-	-0.04%	(0.25)	-0.04%	(0.25)
	Nazara Pte Ltd, Singapore	7.78%	173.86	12.35%	75.41	12.23%	75.41
(C)	**Stepdown subsidiaries**						
	Nazara Technologies, Mauritius	9.46%	211.43	45.45%	277.41	45.00%	277.41
	Nzmobile Nigeria Limited, Nigeria	10.65%	237.93	-6.77%	(41.33)	-6.70%	(41.33)
	Nzmobile Kenya Limited, Kenya	12.62%	281.95	8.10%	49.46	8.02%	49.46
	Nazara Zambia Limited, Zambia	0.34%	7.68	0.00%	(0.02)	0.00%	(0.02)
	Nazara Uganda Limited, Uganda	0.47%	10.53	-0.16%	(0.97)	-0.16%	(0.97)
	Nazara Bangladesh Limited, Bangladesh	1.37%	30.58	0.49%	3.00	0.49%	3.00
	Total	**100.00%**	**2,234.73**	**100.00%**	**610.34**	**100.00%**	**616.47**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

42 First time adoption of Ind AS

These financial statements for the year ended 31 March, 2018 are the first Ind-AS financial statements that the Company has prepared in accordance with Ind-AS. For periods up to and including the year ended 31st March, 2017 the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company has prepared financial statements which comply with Ind-AS applicable for periods ended on 31 March, 2018 together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April, 2016 the Company's date of transition to Ind-AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April, 2016 and the financial statements as at and for the year ended March 31, 2017.

Optional exemptions availed and mandatory exceptions

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS.

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

A. Optional exemptions availed

1. Investment in Subsidiaries, associates

Ind AS 101 permits a first time adopter to measure it's investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be it's fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date.

The Company has elected to measure its investment in subsidiaries at the Previous GAAP carrying amount as its deemed cost on the transition date.

2. Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). Other equity investments are classified at fair value through profit or loss (FVTPL).

3. Share-based payment transactions exemption

Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before March 31, 2016.

4. Optionally Convertible Participating Preference Shares exemption

The Company has issued convertible redeemable preference shares. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS,convertible preference shares are separated into liability and equity components based on the terms of the contract. However, in accordance with this exemptions under para D18 of Ind AS 101, a first-time adopter need not separate these two portions if the liability component is no longer outstanding at the date of transition to Ind AS. As on transition date, redeemable preference shares are redeemed and liability component is no longer outstanding.

B. Mandatory exceptions

1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

2. Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or the after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to IND AS.

Reconciliations between Previous GAAP and Ind AS

A Equity reconciliation

Particulars	**Note**	**As at March 31, 2017**	**As at April 1, 2016**
Equity under previous GAAP		2,164.26	1,586.73
Impact on account of :			
Fair value of financial instruments	1	72.26	36.09
Deferred taxes	4	(1.78)	(0.86)
Equity under Ind AS		**2,234.73**	**1,621.96**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

B Comprehensive income reconciliation

Particulars	Note	As at March 31, 2017
Profit for the year under previous GAAP		595.27
Impact on account of :		
Fair value of financial instruments	1	30.18
Expenses on employee stock option scheme	2	(14.14)
Acturial loss on employee defined benefit plans	3	(1.01)
Deferred taxes	4	0.04
Net profit attributable to equity shareholders of the Company under Ind AS		**610.34**
Other comprehensive income, net of tax		6.13
Total comprehensive income attributable to Equity shareholders of the company under Ind AS		**616.47**

Note 1: FVTPL and FVOCI financial assets

Under the previous GAAP, investments in mutual funds and tax free bonds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The Company has designated investment in mutual funds as FVTPL instruments and investments in tax free bonds as FVTOCI instruments.The net fair value gain to the extent of Rs 30.13 million have been recognised in other income during the year ended 31 March, 2017 (April 1, 2016 : Rs. 13.07 million).

Under Ind AS, investments are required to be measured at fair value. The value of these investments in mutual funds and tax free bonds have been increased to reflect the cumulative fair value changes to the extent of Rs 68.73 million as at 31 March, 2017 (1 April, 2016: Rs 32.51 million).

Note 2: Employee stock option scheme (ESOP)

Under Indian GAAP, the company recognised ESOP to employees based on intrinsic value under employee benefits expense as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period, the company has opted for the Black Scholes Model. An additional expense of Rs 14.14 million has been recognised in profit or loss for the year ended 31 March, 2017.

Note 3: Defined benefit liabilities

Under Ind AS, remeasurements comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Under previous GAAP the actuarial gains and losses, are charged to profit or loss. The actuarial gains / (losses) recognised in OCI for the year ended 31 March, 2017 are Rs 1.01 million.

Note 4: Deferred tax

Deferred tax adjustment includes tax impact on account of differences between Ind-AS and previous GAAP.

Note 5: Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Note 6: Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

43 Materially owned subsidiaries

a) Investment in Subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Information regarding non-controlling interest	March 31, 2018
Accumulated balances of material non-controlling interest:	
Next Wave Multimedia Private Limited	60.79
Nodwin Gaming Private Limited	169.65
(Loss) allocated to material non-controlling interest:	
Next Wave Multimedia Private Limited	(13.82)
Nodwin Gaming Private Limited	(1.79)

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Summarised statement of profit and loss for the period

	Next Wave Multimedia Private Limited	Nodwin Gaming Private Limited
	from December 22, 2017 to March 31, 2018	from January 10, 2018 to March 31, 2018
Revenue	45.53	37.28
Production Expenses	5.06	1.38
Employee benefit	11.81	10.42
Depreciation & amortization	0.03	0.03
Finance Cost	4.25	0.96
Other Expenses	7.20	29.53
Profit / (loss) before exceptional item and tax	17.18	(5.04)
Exceptional item	41.13	-
Loss before tax	(23.95)	(5.04)
Income tax expense	5.13	(1.13)
Loss for the year	(29.08)	(3.91)
Other omprehensive income		
Items that will not be reclassified subsequently to the to profit or loss		
Remeasurements of post-employment benefit obligation	0.09	(0.11)
Income tax relating to items that will not be reclassified to profit or loss	(0.02)	0.03
Other comprehensive income/ (loss) for the year	0.07	(0.08)
Total comprehensive loss for the year	(29.01)	(3.99)
Attributable to non-controlling interests	(13.82)	(1.79)

The subsidiary had no contingent liabilities or capital commitments as at 31st March, 2018 and 31st March, 2017

Summarised balance sheet:-	**Next Wave Multimedia Private Limited**	**Nodwin Gaming Private Limited**
Non- current Assets	69.36	251.47
Current Assets	73.37	172.48
Current Liabilities	12.71	46.33
Non-current Liabilities	2.38	0.71
Total equity	**127.64**	**376.91**
Attributable to:		
Equity holders of parent	66.86	207.26
Non-controlling interest	60.79	169.65

Summarised cash flow information:-	**Next Wave Multimedia Private Limited**	**Nodwin Gaming Private Limited**
	As at March 31, 2018	**As at March 31, 2018**
Operating activities	7.54	(282.93)
Investing activities	(41.95)	0.83
Financing activities	-	-
Net (decrease) in cash and cash equivalents	(34.41)	(282.10)

b) Investment in an Associate

The Group has a 24.69% interest in Mastermind Sports Limited, which is involved in mobile value added services in United kingdom. Mastermind Sports Limited is a private entity that is not listed on any public exchange. The Group's interest in Mastermind Sports Limited is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Mastermind Sports Limited:

i) Summarised financial information for Associates

Summaries statement of net assets:-	**As at March 31, 2018**
Total current assets	9.33
Total Non-current assets	0.22
Total current Liabilities	3.57
Total Non-current liabilities	0.31
Equity	**5.67**
Carrying amount of the investment	22.10

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Summaries statement of profit and loss:-	As at March 31, 2018
Revenue	4.15
Employee benefit	5.76
Finance cost	0.03
Depreciation & amortization	-
Other Expenses	3.43
Loss before tax	**(5.07)**
Income tax expense	0.00
Loss for the year	(5.07)
Total comprehensive loss for the year	(5.07)
Group's share of (loss) for the year	**(0.63)**

The associate had no contingent liabilities or capital commitments as at 31st March, 2018 and 31st March, 2017

ii) **Reconciliation of net equity in Associates**

	As at March 31, 2018
Opening balance of investment	22.73
Add: Share of total comprehensive (loss) for the year	(0.63)
Less: Tax effect on the above	-
Closing balance of investment	**22.10**

44 Business combinations and goodwill

Acquisitions during the year ended 31st March, 2018

Acquistion of NextWave Multimedia Private Limited

In December 2017, the Company has invested Rs 322.30 million for 52.38% of equity share capital of Nextwave Multimedia Private Limited ("NextWave"), a company engaged in the business of designing, marketing and publishing games across platforms. The Company made this investment by acquiring 11,921 equity shares of Rs 100 each from the existing shareholders for Rs. 220 million in cash and subscribing to 4,335 equity shares of Rs 100 each aggregating to Rs. 80 million, issued by NextWave for cash. Further, the Company acquired 1,204 equity shares of Rs 100 each from an existing shareholder of NextWave by issuing 3,263 equity Shares of the Company of Rs.10 each valued at Rs. 6,834 fully paid. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was INR 6,834 each. The fair value of the consideration given is therefore INR 322.30 million.

Acquistion of Nodwin Gaming Private Limited

In January 2018, the Company has invested Rs 767.68 million for 54.99% of equity share capital of Nodwin Gaming Private Limited ("Nodwin"), a company engaged in the business of designing, marketing and publishing games across platforms. The Company made this investment by subscribing to 3,414 equity shares of Rs 10 each aggregating to Rs. 355.32 million, issued by Nodwin for cash. Further, the Company acquired 3,962 equity shares of Rs 10 each from an existing shareholder of Nodwin by issuing 753,854 equity Shares of the Company of Rs.10 each valued at Rs. 547 fully paid. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was INR 547 each. The fair value of the consideration given is therefore INR 767.68 million.

The Group has elected to measure the non-controlling interests at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Fair value of Assets acquired and liabilities assumed	Next Wave Multimedia Private Limited	Nodwin Gaming Private Limited
	Recognised on acquisition	
Assets		
Fixed Assets	6.20	4.79
Intangible Assets	248.64	437.10
Intangible Assets under development	2.76	-
Other non current financial assets	-	5.75
Other non current assets	2.80	0.01
Current Assets		
(a) Trade Receivables	15.10	50.81
(b) Cash and Bank Balances	86.65	362.37
(c) Short Term Loans and Advances	1.51	-
(d) Other Current Assets	0.11	0.57
	363.77	**861.40**

Notes to the financial statement for the year ended 31st March, 2018

(Rupees in million)

Liabilities		
Non-Current Liabilities		
(a) Long-term borrowings	0.24	-
(b) Deffered tax liability	57.09	121.36
(c) Long-term provisions		0.61
Current Liabilities		
(a) Short-term borrowings	41.02	0.72
(b) Trade Payables	4.07	31.47
(c) Other financial liabilities	1.63	4.11
(d) Other Current Liabilities	1.25	2.11
(e) Current tax Liabilities (net)	1.61	4.64
	106.91	**165.02**
Total Identifiable Net Assets as on date of acquisition	**256.86**	**696.38**
Non-Controlling Interests	(122.33)	(313.44)
Goodwill Arising on Acquisition	188.04	386.69
Purchase consideration transferred	**322.58**	**769.63**

None of the trade receivables is credit impaired and it is expected that the full contractual amounts can be collected.

The deferred tax liability mainly comprises the tax effect of the depreciation for tax purposes of tangible and intangible assets.

The goodwill of INR 574.73 million comprises the value of expected synergies arising from the acquisition, which is not separately recognised. Goodwill of Rs 188.04 mn is allocated to the freemium segment and goodwill of Rs 386.69 mn allocated to the e-sport business. It does not meet the criteria for recognition as an intangible asset under Ind AS 38. None of the goodwill recognised is expected to be deductible for income tax purposes.

The Company does not have any contingent liability as on the acquisition date. There is no contingent consideration payable on such acquisition.

From the date of acquisition, Next Wave Multimedia Private Limited has contributed Rs. 44.89 million of revenue and Rs. (23.95) million to the profit before tax of the Group.

From the date of acquisition, Nodwin Gaming Private Limited has contributed Rs. 36.40 million of revenue and Rs. (5.03) million to the profit before tax of the Group.

If the combination had taken place at the beginning of the year, revenue would have been Rs. 1,912.36 million and the profit before tax for the Group would have been Rs. 164.59 million.

Analysis of cash flows on acquisition:	**Next Wave Multimedia Private Limited**	**Nodwin Gaming Private Limited**
Purchase Consideration Transferred	(300.00)	(355.32)
Net Cash acquired with the subsidiary	45.39	199.27
Net Cashflow on acquisition	**(254.61)**	**(156.05)**

Transaction costs of INR 13.68 million have been expensed and are included in other expenses.

45 Events after the reporting period

i On 10th May 2018, the Company has allotted 499,350 equity shares pursuant to exercise of ESOPs by employees of the Company, issued under ESOP 2016 Scheme.

ii On 11th May 2018, the Company has entered into Memorandum of Understanding with Inbox Pictures Private Limited (Inbox), a company engaged in the business of developing and marketing mobile games, especially related to word games in multiple languages, for granting a loan of Rs 3.2 millions. The loan amount can be converted into fixed number of fully paid up equity shares of Inbox at the option of the Company, within 12 months of signing of the MOU, which will represent 10% of the diluted capital of Inbox.

iii On 11th May 2018, the Company has invested Rs 0.04 millions in cash for acquiring equity stake 70% of the share capital of NZWorld Kenya Limited, a company engaged in the business of gaming and betting in Kenya.

iv On 6th June 2018, the Company invested Rs 16.5 million for 33.89% in Jatia Education Private Limited in one or more tranches, on a fully diluted basis. Jatia Education Private Limited is engaged in developing and marketing mobile games, especially related to quiz games.

v On 11th July 2018, the Company has agreed to invest Rs.10 million for a 8.67% stake in Instasportz Consultancy Private Limited (Instasportz) pursuant to Agreement dated 11th July ,2018. Instasportz is engaged in the business of running sports and virtual reality entertainment zones across India and abroad.

46 Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard which the company intends to adopt, when they become effective.

Ind AS 115 revenue from contracts with customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company is in the process of evaluating the impact related to Ind AS 115, recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary Including the available transition methods.

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Govind Ahuja
Partner
Membership no: 048966

Place of Signature: Mumbai
Date : 11th July, 2018

For and on behalf of the Board of directors of Nazara Technologies Limited (Formerly known as Nazara Technologies Private Limited)

Vikash Mittersain
Chairman Cum Managing Director
DIN-00156740

Nitish Mittersain
Managing Director
DIN-02347434

Manish Agarwal
Chief Executive Officer

Rakesh Shah
Chief Financial Officer

Vinav Agarwal
Company Secretary

Place of Signature: Mumbai
Date : 11th July, 2018

NOTES

Nazara

NAZARA TECHNOLOGIES LIMITED

CIN: U72900MH1999PLC122970
Regd. Office: 51-57, Maker Chambers 3, Nariman Point, Mumbai - 400021
Tel.:+91-22-40330800 **Fax:** +91-22-22810606 **Email:** info@nazara.com **Website:** www.nazara.com

FOR KIND ATTENTION OF SHAREHOLDERS

Dear Shareholders,

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

Registered Folio/DP ID & Client ID	
Name of the Shareholder(s)	
Father's/Mother's/Spouse's Name	
Address (Registered Office Address in case the Member is a Body Corporate)	
E-mail ID	
PAN or CIN(in case of Body Corporate)	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Date of birth of the Member	

Place: ____________ ______________________________

Date: _____________ **Signature of the Member**

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agent of the Company viz. " Link Intime Pvt. Ltd.; C-101, 247 Park, LBS Road, Vikhroli West, Mumbai, Maharashtra- 400083

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking you,

For Nazara Technologies Limited,

Vikash Mittersain
Chairman and Managing Director
DIN: 00156740

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NAZARA TECHNOLOGIES LIMITED

CIN: U72900MH1999PLC122970
Regd. Office: 51-57, Maker Chambers 3, Nariman Point, Mumbai - 400021
Tel.:+91-22-40330800 **Fax:** +91-22-22810606 **Email:** info@nazara.com **Website:** www.nazara.com

Form No. MGT-11
PROXY FORM
{Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

19th ANNUAL GENERAL MEETING ON WEDNESDAY, THE 26TH DAY OF SEPTEMBER, 2018 AT 10:30 A.M.

Name of the member(s):	
Name(s) of the Joint Holder, if any:	
Registered address:	
E-mail Id:	
Folio / DP ID and Client ID (Applicable to investors holding shares in Dematerialized Form)	

I/We being a member(s) of ……………… shares of the above named Company, hereby appoint:

(1) Name ……
Address ……
Email id ……………………………………….Signature ……………………………………… Or failing him/her;

(2) Name ……
Address ……
Email id ……………………………………….Signature ……………………………………… Or failing him/her;

(3) Name ……
Address ……
Email id ……………………………………….Signature ………………………………………

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held on Wednesday, the 26th day of September, 2018 at Rangaswar Auditorium, Y B Chavan Centre, 7/8, General Jagannath Bhosale Marg, Opp Mantralaya, Nariman Point, Mumbai, Maharashtra- 400021 India, and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No.	Resolutions
	Ordinary Business
1.	Ordinary Resolution for adoption of Audited Financial Statements (including the Consolidated Audited Financial Statements) for the financial year ended 31st March, 2018 along with the Report of Board of Directors and Auditors' Report thereon.
2.	To take a note of the interim dividend of Rs 151/- per share paid for the financial year ended March 31, 2018.
3.	To appoint a Director in place of Mr. Nitish Mittersain (DIN: 02347434), Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.

Signed this …………… day of ………………………………….., 2018

Signature of the shareholder …………………………………………………...

Signature of the Proxy holder(s) …………………………………………….

Affix
Revenue
Stamp

NOTE:

1. **THIS FORM OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. In case of multiple proxies, the proxy later in time shall be accepted.
3. Proxy need not be the shareholder of the Company

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Nazara

NAZARA TECHNOLOGIES LIMITED

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Regd. Office: 51-57, Maker Chambers 3, Nariman Point, Mumbai - 400021
Tel.:+91-22-40330800 **Fax:** +91-22-22810606 **Email:** info@nazara.com **Website:** www.nazara.com

ATTENDANCE SLIP

19TH ANNUAL GENERAL MEETING ON WEDNESDAY THE 26TH DAY OF SEPTEMBER 2018.

Registered Folio / DP ID and Client ID	
Name and address of the shareholder(s) Joint Holder (1) Joint Holder (2)	
No. of shares held	

I/We hereby record my/our presence at the 19th Annual General Meeting of the members of the Company held on Wednesday the 26th day of September, 2018 at the Rangaswar Auditorium, Y B Chavan Centre, 7/8, General Jagannath Bhosale Marg, Opp Mantralaya, Nariman Point, Mumbai, Maharashtra- 400021 India.

....

Member's/Proxy's name **(IN BLOCK LETTER)**   Member's /Proxy's Signature

Note:

Please fill in the Folio/DP ID/Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the **ENTRANCE HALL OF THE MEETING.**

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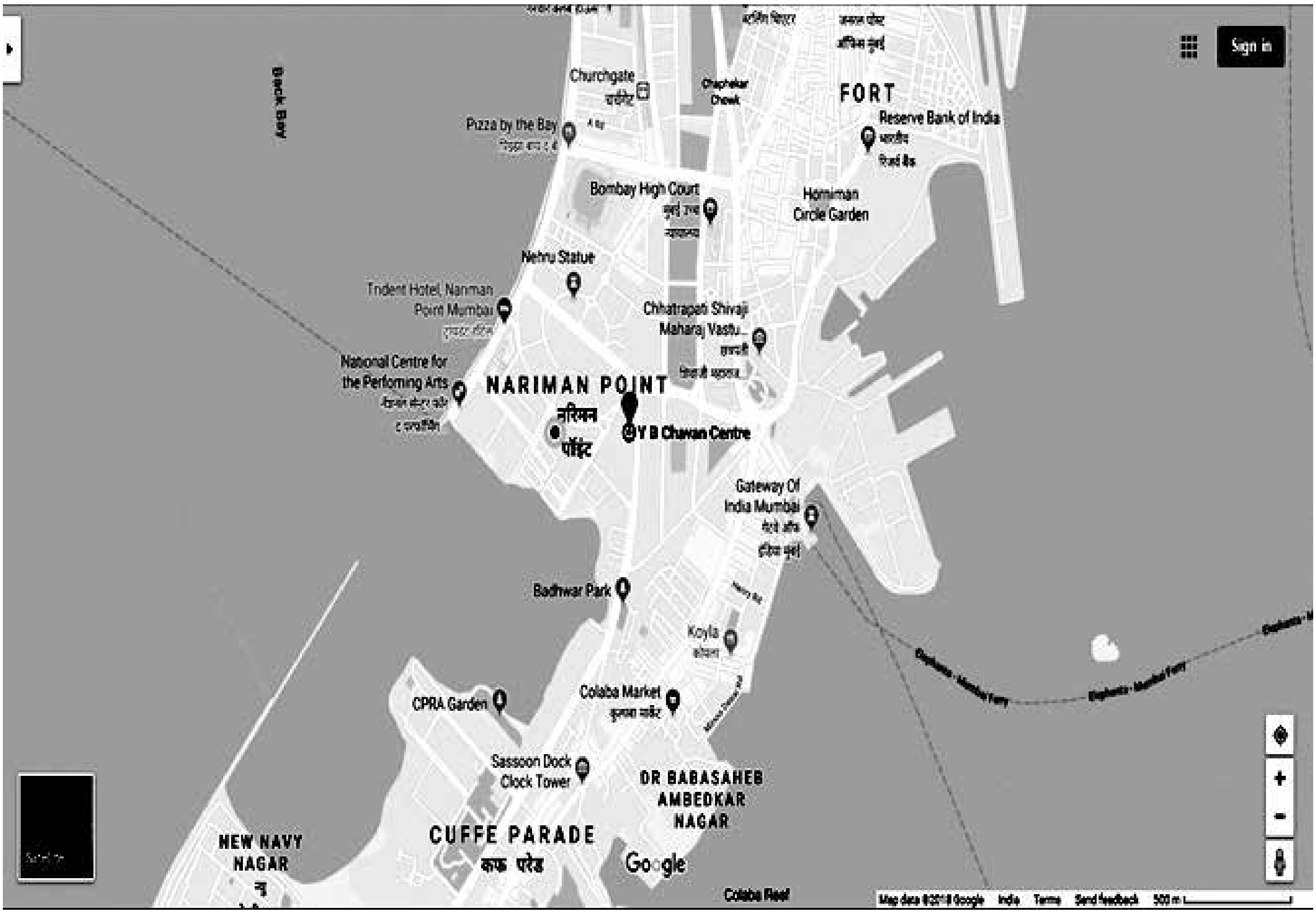
ROUTE MAP FOR THE VENUE OF THE ANNUAL GENERAL MEETING

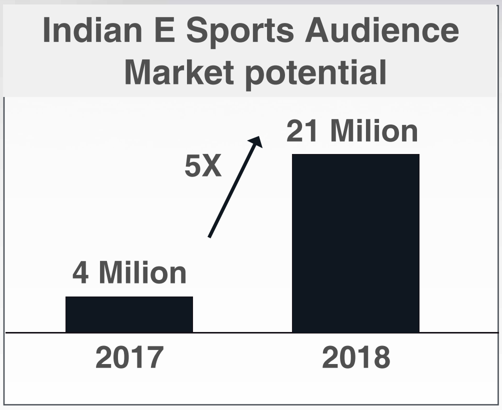


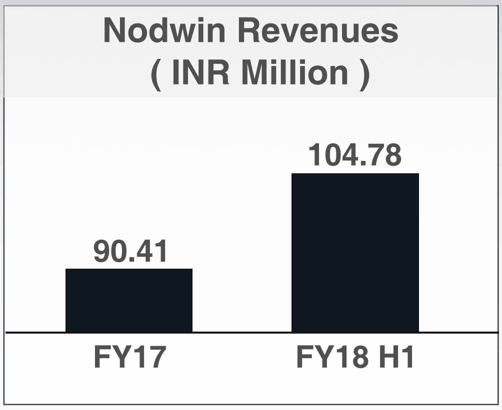
ESPORTS

USHERING IN THE NEW FORM OF GAMING

NAZARA-NODWIN

Exponential Growth





NAZARA ECO-SYSTEM PARTNERS

TELCOS

vodafone
TELKOMSEL
Safaricom
airtel
ooredoo
inwi
!dea
etisalat
Dialog
telenor
du

PLATFORMS

ANDROID APP ON Google play
MOBANGO MOBILE POWER
9APPS
Jio
Available on the App Store

IP PARTNERS

CRICKET AUSTRALIA
ESL
COSMOS MAYA
GREEN GOLD Animation Pvt Ltd
Xilam
AMAR CHITRA KATHA
viacom 18
ROYAL CHALLENGERS BANGALORE

AD NETWORKS

POKKT
zapr
Vungle
Mobvista. mobile marketing innovation
AdMob
START/APP
appnext™
INMOBI
ironSource
Greedy Game

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